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An exploration into Managers and Their Motivation at Work

The Case of Dairy Industry in Iran

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Abstract

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Keywords: Motivation; Managers; Perception; dairy Industry; Managerial Effectiveness; Hygiene factors; Motivators Iran

There is lack of empirical exploratory studies investigating manager motivation in the dairy industry in Iran. This study has aimed to fill this gap and take into account the socio-economic and religious factors that influence managers' motivation in this industry thus contextualising motivation of managers in Iranian dairy industry. In order to achieve this aim and related objectives a mixed method approach, combining quantitative and qualitative methods, was adopted collect the adequate and relevant data.

Findings showed that a significant proportion of managers are responding neutrally to and/or are satisfied with underlying factors that reflect hygiene at Damdaran. Results also indicated a sharp difference between response trends to items representing hygiene and motivators. Moreover, it was discovered that managers reported a high relation between performance and motivator factors, such as job status and recognition.

Findings validated the key distinction made in literature between motivators and hygiene factors and that motivators tend to emerge from intrinsic job characteristics. Further analysis revealed that at Damdaran worsening economic condition during the past five years has increased managers'

perceived level of stress at work thus adversely affecting their motivation. Managers showed concern for security, family responsibility, working condition and the worsening of the economy in recent years.

One of the most important recommendations is the need for more future empirical research into the influence of special socio-economic and cultural forces that shape the reality for managers' work, their perception and expectation of reward system in the dairy organisations in Iran.

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CHAPTER ONE: INTRODUCTION

1.1. Introduction: Managerial Motivation

Understanding the processes that influence the production capacity of workers has always been of central importance to managers (Flynn, 1998; Holt, 1999; Kakabadse, et al., 2005). Industrial Revolution increased the productive capacity of factories and with it brought many new challenges to managers who faced a whole set of new rules affecting factory workers (Holt, 1999). Challenges of the Industrial Revolution soon introduced a new approach to managerial thoughts that ultimately culminated in the work of Fredrick Taylor's 1911 publication of the *Principle of Scientific Management* (Taylor, 1911). Managerial thoughts have developed considerably since Taylor's *Principle of Scientific Management*. A bird eye view of this development certainly shows a move from simple deterministic models (mostly based on conformity and control principles) to today's highly complex dynamic models of management that place considerable stress on processes that affect worker's motivation (Analoui, 2007). Understanding motivation and the whole complex set of processes that affect motivation has hence become the foundation of today's complex dynamic models of management.

The objective of this introductory chapter is to lay out the ground presentation of the ideas driving this thesis. This introductory chapter is divided into the following 6 sections. In the following section, i.e. section 1.2, it will be demonstrated that the genesis of this thesis can be traced to lack of

sufficient research attention to understanding manager motivation within socio-religious (cultural) context. This study is the first of its kind to contextualize manager motivation in the dairy industry in Iran. Section 1.3 will provide some of the key data pertaining to Iran, her agricultural industry and the organization of the dairy industry in Iran. Section 1.4 will discuss the overriding aim and objectives of this research, arguing that although theories of work motivation were developed in the West and provide a wealth of information about the drivers of works performance and satisfaction, they lack the needed sensitivity to fully account for the effects of non-western cultures as superstructure affecting motivation. In this section the main research questions and sub-questions are raised. Section 1.5 provides a synthesis of the main literature review briefly discussing the development of management theories and the much needed research into how powerful cultural and religious features of non-western societies, which are driven by Islamic tradition, affects work ethics and motivation. Finally section 1.6 presents the methodology applied in this empirical study and will also briefly highlight the data collection approach.

1.2. Statement of the Main Idea Driving This Thesis

Development of management theories from classic models to contemporary dynamic models has been based on research findings that underscore the central role motivation plays in affecting productivity and employee satisfaction (Holt, 1999). As early as 1930s, research findings began questioning Taylorism view of the economic man and its deterministic approach to employees as mere cogs in the larger machinery of

organizations (Holt, 1999). Elton Mayo's findings spoke volume against many of the classic aspects of management thoughts and hence demonstrated the need for coming to terms with emotive drivers of productivity (Mayo, 1933).

Research findings of Mayo paved the foundation of the emotional commitment approach to management thought and in so doing came to stress motivation as the pillar for understanding workers' productivity and satisfaction. Underscoring this point, Analoui has recently argued that today "one of the most essential concerns of HRM is to increase motivation, simply because motivation has a direct link to staff commitment and their ability to attain better productivity" (Analoui 2007, p. 221). While understanding the role motivation plays in organizational performance has produced a vast body of literature (e.g., Maslow, 1954; McClelland, 1961; Vroom, 1964; Herzberg, 1966; Carson, 2005), studies focusing on contextualizing motivation in non-western productive systems are rare (e.g., Blunt, 1986, Ali, & Azim, 1999, Analoui, 1999; Branine, 2005; Analoui, et al., 2009; Analoui & Hosseini, 2011; Analoui, Moghimi & Khanifar, 2009) and are often based on application of motivation theories that have been developed in the west. An important study that sheds light on some of the problems of researchers equipped with western models of reward-motivation-performance is Analoui's 1999 investigation of motivation of managers in Ghana (Analoui, 1999). In his 1999 investigation in Ghana Analoui uncovered that socio-economic superstructures outside the scope of control of organizations affect managers' motivation significantly (1999, pp. 387-388).

Analoui found that managers working for government agencies were forced to take on other 'work' outside the organization to make ends meet and hence "it is almost impossible, if not naive and simplistic, to envisage reform and restructuring the public sector in Ghana with the aim to increase effectiveness unless attention is paid to the complex myriad of influences and causes" that are fundamentally cultural (Analoui, 1999, p. 388).

Similar concerns about shortcomings of western-oriented motivation theories in accounting for workers motivation has been raised by Ali and Al-Kazemi (2006), Ali and Al-Owaihian (2008) who have clearly demonstrated the existence of an Islamic work ethic which is different from the Protestant work ethics and hence must be taken into account when examining manager's motivation in Islamic societies. Thus, it should be noted here at the outset that the genesis of the present research can be traced to a vacuum in work motivation theory building in Iran. It seems clear that there is a vacuum in our understanding of the socio-economic and religious link that negotiate the relation between individual and work. One interesting issues addressed here is how Islamic work ethic may influence manager's motivation in Iran, especially in light of the 1979 Islamic Revolution which according to some scholars can be seen as a historical cultural break with western tradition (Ali and Al-Owaihian, 2008, p. 14).

As it will be seen in the following section on the rationale behind the research questions, review of the literature unequivocally shows that there have been no empirical studies investigating manager motivation in the dairy industry in

Iran. Thus, an empirical study that fills this gap and also takes into account the economic and religious link that influences managers' motivation is of value.

1.3. Research Rational

A literature search revealed meagre research conducted on the dairy industry in Iran. One of the best current reviews on the topic is provided by Farzanegan in his 2011 study of the economic efficiency of small farm dairy industry in Iran (Farzanegan, 2011). To this knowledge there are no published studies in the western academic data bases that address manager motivation in the dairy industry in Iran and hence filling this gap propelled this research. Interestingly in his 2011 study Farzanegan shows that currently the dairy industry in Iran is based on the production capacity of numerous traditional small dairy farmers scattered around the country and more intensive dairy farmers located around major cities (Bakhshoodeh, 2011, p. 162). In his recent study of the economic efficiency of small farm holders in Iran, Bakhshoodeh shows that traditional farm holders provide three fourth (75%) of the Iranian cow milk supply followed by larger intensive dairy producers (2011, p. 162). An important aspect of Bakhshoodeh's findings is that:

“farmers who produce milk in rural areas have no access to a market near the farm nor have the machinery and equipment needed to keep or process the produced milk. Limitations and lack of roads also

reduce the ability of farmers to supply milk to a higher-priced market” (Bakhshoodeh 2011, p. 162).

Overall, Bakhshoodeh’s economic analysis of the dairy industry in Iran demonstrates numerous sources of inefficiencies, especially when it comes to small farmers’ access to the market.

Based on this lack of research on manager motivation in the dairy industry in Iran, this present research was hence designed to address this gap in the literature and empirical work. Thus, the overall objective of this research, the first of its kind to investigate manager motivation in the dairy industry in Iran, is an empirical investigation of factors influencing manager motivation. In order to achieve this objective a *mixed method* approach is applied using quantitative (surveys) and qualitative (i.e., interviews) methods of data collection examining factors that influence manager’s motivation with special attention allocated to contextualizing motivation of managers.

1.4. Aim, Objective and Research Questions

The main aim of the present research is to examine manager motivation in a dairy industry in the Damdaran, Karaj located in the province of Alborz. This study, the first of its kind to examine manager’s motivation in the dairy industry in Iran, is conducted to account for forces that propel and weaken manager’s motivation. Based on the above presented theoretical bases and in light of the nature of the research project being a first of its kind in the followings the key aim, objectives and research questions are presented.

1. Review the relevant literature on development of management, roles of the managers and the main theories and concepts that shed light on the behaviour managers in the organisation
2. Explore the complexity of the role of the managers and the scope of their activities in the dairy industry
Identify the demand, constraints and choices experienced by managers in the dairy industry.
3. Understand the “hygiene” and “motivating” factors associated with the manager’s position in their respective organisations.
4. Examine the policies and procedures concerning the “reward” and “motivation” within the dairy organisations.
5. Determine the implications of the findings of the present study for dairy industry in Iran and other similar organisation in developing countries

In order to achieve the above main objectives the study aims to answer the following main research question, i.e., “What factors influences manager’s motivation at work?”

1.5. Literature on Manager Motivation: Towards an Exploratory Framework

Management theories have evolved considerably from the first scientific approach to management introduced by Taylor (Nyland, 1996). As it will be demonstrated in this section, one of the most important aspects of the development of management theories since Taylor has been a steady and systematic move away from Taylorism deterministic approach to dynamic, open system theories that place considerable stress on emotional bounding of employee to organization (Johnson, Kast, & Rosenzweig, 1964; Guest 1987; Boxal, 1993).

It will be shown here that today's open system theories construe of the role of management in relation to multilayers of input-output feedback loops that relate external organizational factors to internal dynamics of the organization (Kast and Rosenzwei, 1972; Analoui, 1999).

Mintzberg's contingency role of management (1973) and Analoui's work on managerial effectiveness (1997; 1999; 2010) will be raised demonstrating model building within the broader open system theory. Analoui's research and theory building in context of developing economies provide important guidelines for this present research and are hence discussed in relation to Analoui's studies of managerial effectiveness, job satisfaction and motivators which Analoui tend to analyze using Herzberg's two-factor theory (Herzberg, 1966). Finally, in addressing the vacuum that was noted in the previous

section about insufficient attention having been paid to the powerful cultural and religious links that negotiate the relation between individual and work, the review of the literature (see chapter 2) also covers some key research findings that help us fill this empirical vacuum.

History of management thoughts begins with Taylor's scientific management (Flynn 1998a; 1998b). Central to Taylor's scientific management is the introduction of time and motion studies to systematically assess production rate (Flynn 1998a). Taylor's observations revealed that workers fixed a common pace of work and that this agreed upon pace was "about half the production rate that was achievable" (Flynn, 1998a, p. 28). Taylor introduced the method of time and motion studies to maximize production rate (Flynn, 1998a). Labour objected vehemently to scientific management system arguing that it "mandated an extremely high division of labour, requiring only minimum skills, so workers were not encouraged to grow and develop on the job" (Halpern, Osofsky, Peskin, and Myron, 1989, p. 21). Alienated and demotivated workforce soon became a major factor working against Taylorism and certainly the large scale labour opposition to these conditions led to a political decision to invest more in better understanding of the psychology of the workforce (Bruce and Nyland, 2011, pp. 383-387).

In their comprehensive analysis of the shift from Taylorism to Mayoism and political forces that induced the shift to Mayoism, Bruce and Nyland maintain that:

“While Taylorism (notwithstanding Taylor’s own exhortations for a great ‘mental revolution’) had presented managers with the potential to exert power physically over the human body spatially and temporally, ‘Mayoism’ offered a more subtle and efficient means of exercising this power mentally, via workers’ cognition and emotions” (Bruce and Nyland, 2011, p. 386).

Bruce and Nyland (2011) demonstrate that labour’s opposition to Taylorism led to considerable investment in getting deep into the *psyche* of the workforce and that the host of ‘soft’ management styles has been emerging at this time aimed at harmonizing workers’ cognition and motivation with the broader objectives of the industry.

Boxal’s (1993) comprehensive analysis of contemporary human resources management style also makes numerous references to Mayoism as having laid the foundation of the so-called emotional bounding approach. Central in Boxal’s argument is that the soft/emotional commitment approach emerged as a forward looking strategy in non-unionized businesses to tame workforce militancy and render unionization unnecessary (Boxall, 1993, p. 658).

Development of management thoughts from Mayoism moved to open system theory (Analoui, 1999, 2002, 2007) and came to place much more stress on organizations as learning/evolving organisms with *input-transformation-*

output characterizing learning potential of organizations (Kast & Rosenzwei, 1972, p. 450). This learning capacity is a key idea driving the open system theory (Analoui, 2007). Organizations in general (Johnson et al., 1964) and managers' roles (e.g., Mintzberg, 1973) in particular are effective when feedbacks from internal and external sources are monitored and organizational performance is adjusted toward higher efficiency using feedback (Kakabadse, Bank and Vinnicombe, 2005).

Mintzberg's contingency role of management (1973) and Analoui's work on managerial effectiveness (1999; 2010) clearly demonstrate the importance of managerial roles in an open system framework. As Walker point out:

“Mintzberg theory is based on an open system approach incorporating contingency theory as he believes that effective organizations achieve an appropriate balance between tasks, environment, and organizational structure but sees his configuration approach taking it further. This he characterizes as ‘getting it all together’, in which the elements are selected to achieve consistency “
(Walker, 2007, p. 46).

As it can be seen here Mintzberg came to stress manager's role. The notion of contingency in Mintzberg's theory refers to a host of managerial roles (including figurehead, leader, liaison, monitor, disseminator, spokesman,

entrepreneur, disturbance handler, resource allocator and negotiator) performed by all managers to a varying degree which are *contingent* upon factors such as size of organizations, the industrial sector of organizations and managers' level Mintzberg 1973, pp. 103-106). Mintzberg's construct of managers as agents who bring harmony, accord and unity to organizations providing the needed information link between organization and external environment (1973, pp. 56-58).

In his discussion of Mintzberg's theory, Kakabadse et al., (2005) note that in Mintzberg's model managers enter their roles with *personal histories*, i.e. personality, value systems and moralities that affect decision making and roles. Kakabadse et al., (2005) point about personal histories is noteworthy here because values and moral holdings emerge in a *cultural context* providing a framework for managers to interpret their roles and the angle of view they adopt in managing their employees.

While Mintzberg's theory focuses on managerial roles within the framework of open system theory, Analoui's research findings demonstrates the contemporary model building in which a complex approach is applied to within the open system theory. Analoui's research (Analoui, 1995; 1999, 2010) shows that managerial effectiveness is a multifaceted phenomenon determined by a complex web of organizational, institutional and social factors. In line with the basic principle of system theory, Analoui demonstrates that some eight *independent* parameters (these also include managerial motivation), based on three interrelated contextual settings,

Individual, Organization and the Environment can affect managerial effectiveness *interdependently* (Analoui, 2010, p. 59). Analoui's explanatory model (2010) demonstrates very well some of the inherent problems of early models of managerial effectiveness. Certainly Analoui's findings show that monistic models are not suitable for framing managerial effectiveness and instead argues in favour of more pluralistic models.

Analoui's research and theory building have direct bearing on this research proposal from two clear and complementary angles. Firstly, due to Analoui's overall interests in managerial effectiveness, job satisfaction and motivators in organizations, he draws from Herzberg's *two factor theory*--motivator-hygiene theory (Herzberg, 1966). In many of his researches Analoui organizes his initial overview of data analyses along Herzberg's two-factor theory to uncover factors that affect satisfaction and motivation.

In Herzberg's theory (1966) needs relating to the hygiene factors (e.g., salary and company benefits and policies, as well as subordinates and supervisor relationship) are important for addressing level of job dissatisfaction. Motivator factors, on the other hand, including responsibility and recognition, are modelled in Herzberg's theory as related to individual growth in organizations (Herzberg, 1966). While hygiene factors predict level of job dissatisfaction, the degree to which a company provides opportunities for personal growth and self-actualization can be an important reward system operating directly on employee motivation (Analoui, 1997, 2007). In line with Analoui's adaptation of Herzberg's *two factor theory*--motivator-hygiene

theory--the present research drew from Herzberg's theory to uncover key hygiene and motivator factors that affect manager motivation in the dairy industry in Iran.

The second important implication of Analoui's research for the context of this research proposal is his view that motivation must be contextualized (Analoui, 1997, 2007). One important aspect of Analoui's research findings is that he vividly demonstrates that "not all needs are as universal as Maslow (1943) proposed. Many are socially determined and not surprisingly are different from one culture to another" (Analoui 2007, p. 224). This statement derived from observational data and close interviews with managers of productive systems in non-western countries very vividly demonstrates shortcomings inherent in theories of work motivation developed in the west (which often are based on observational data from western productive systems).

A number of other scholars have raised very similar concerns about work motivation theories developed in the West. In a commentary on problems of extrapolating western driven theories of work motivation to other cultures, Coates argues that in most of these theories (e.g. Maslow's 1954 theory of Need Hierarchy; Adams's 1965 Equity Theory and Vroom's 1964 Expectancy Theory):

"The individual is seen as 'a rational maximiser of personal utility'. This is a neo-

classical position, where the individual is seen as having self-seeking instrumentality, attempting to get the most reward for least effort. Although Need Theories differ, they do so only slightly in that they emphasize an 'expressive' individualism which still remains the location of individual” (Coates, 1999, p. 26).

Coates raises a central issue that vividly reflects the main driver of the rationale behind this present research, i.e., theories of work motivation reflect western conception of the relation of individual to work. Coates raises the Japanese tradition of management which, in sharp contrast to the western individualistic approach, is fundamentally driven by the Japanese view of work motivation in collectivistic term (Coates 1999). Central in Coates' argument and driving a fundamental argument in this present research proposal is Coates' position that the Japanese collectivistic view of motivation vividly shows the cultural bias affecting western models and thus that these model lack “in ability to extrapolate to other societies” (Coates, 1999, p. 26). Here Coates certainly lends considerable support to Analoui's assertion (2007) about not all needs being universal as Maslow construed.

Further support for the importance of considering cultural context (Analoui, 2013) while analyzing work motivation, as noted in the introduction, comes from an extensive body of research on Islamic work ethic (Ali & Al-Kazemi 2006; Ali & Al-Owaihan, 2008) which is different from the Protestant work

ethics and hence should be taken into account in order to contextualize motivation of manager in the dairy industry in Iran.

1.6. Methodology

As it has been demonstrated in this chapter the approach to defining and understanding worker satisfaction, motivation and work performance have undergone significant changes. The hallmark of this change has been a move from highly deterministic, mechanical approaches (e.g., Taylorism) to a much more dynamic approach that is the hallmark of the open system theory and the current human resources approach to modelling motivation (e.g., Johnson et al. 1964; Analoui, 2010). A major factor behind this change from mechanical approaches to more dynamic approaches in modelling motivation has been the methodology applied to measure motivation. Overall, the literature (Yin, 2003; Thomas, 2006; Brannen & Moss, 2012) shows that supplementing the classic deductive approach with inductive, qualitative methodologies have been pivotal for enriching understanding of motivation in organization because in sharp contrast to the deductive approach, the inductive approach goes beyond the investigators' original postulates by letting the data speak in a highly open way using method such as interview (Parry, 1998). Thus, a mixed method approach (Ihantola and Kihn, 2011), based on both quantitative and qualitative approaches is well suited for developing parallel lines of inquiry about factors that affect manager motivation and is used here to assess motivation in the dairy industry in Iran.

Furthermore, contextualizing motivation in relation to socio-political and economic factors are of immense value for a better understanding of the dynamic of processes that affect manager motivation (Analoui, 1999). An important study that sheds light on some of the problems of researchers equipped with western models of reward-motivation-performance is Analoui's 1999 investigation of motivation of managers in Ghana (Analoui, 1999) which uncovers significant and valuable findings about the effects of socio-political and economic factors that affect manager motivation. This is, hence, one of the main reasons behind using a more comprehensive battery of research measurement tools here that contextualizes manager motivation in the dairy industry in Iran.

Based on a mixed method approach (with all the details discussed in the method chapter), the data collection phase of this study hence began with contacting managers in the dairy industry in Karaj using publicly available business listings. In a package mailed to these managers (1) the value of shedding light on manager motivation for increasing productivity will be explained (2), strict anonymity was underscored in an informed consent form and (3) the main survey was included. In the letter it was noted that this is the first study of its kind to look examine manager motivation in the dairy industry in Iran. Thus, the study's value for shedding light on factors that affect manager's motivation and motivation in the broader organizations was clear and hence the value of filling the survey questionnaire enclosed with the contact letter were apparent to those contacted.

The research then came to be based on responses of 60 managers (20 junior, 20 middle and 20 senior managers) to surveys. As noted above, the survey came to be based on Analoui's adaptation (1997, 2007) of Herzberg's two factor theory (1966). Some of the questions that were formulated in this comprehensive questionnaire (for a discussion of the full survey see chapter 4 and appendix 1) to measure hygiene and motivators are:

- 1) How would you describe your job security?
- 2) How happy are you with your present salary?
- 3) Does working condition affect your performance?
- 4) In your opinion, can company policies and procedures motivate you toward your work?
- 5) How would you describe the variety aspects of your work?
- 6) How interesting is your job?
- 7) To what extent do you feel that the challenge in your work affect your level of motivation to work?

The first 4 questions reflect hygiene factors and the remaining 3 questions reflect motivators. As it can be seen questions about job security, salary and working conditions are among factors that in Herzberg' theory are considered reflecting hygiene factors in organization (Herzberg, 1966). The last three questions reflect motivators and focus on internal organizational factors such as job responsibilities, promotion at work and variety of work.

As noted above one of the major drivers of this research is to gain a better understanding of how manager motivation is affected by cultural context (i.e., the whole issue of contextualizing manager motivation). Thus, a number of items were formulated in the questionnaire to account for the effects of socio-cultural, economic and possible political influences on manager motivation. Some items that aimed at contextualizing manager motivation are:

- 1) Reflecting on the period post-1979 revolution, the management-staff relationship influences my motivation,
- 2) Reflecting on the past 10 year, HR policies and procedures have been affected by the political climate,
- 3) Reflecting on the period post-1979 revolution, the political climate has affected the way the management treat their staff.

Furthermore, based on the mixed method approach discussed previously, in-depth interviews were then conducted with 20 managers to form a detailed understanding of the underlying forces that affect manager motivation and performance. Special attention was paid to unveiling cultural and economic factors that influence the daily reality of managers. These managers were asked in-depth questions about their views on organisational factors that affect their motivation and reward level and how they see these factors in turn affecting the individual and organisational performance.

The data were then analysed using Statistical Package for Social Science (SPSS). Interviews conducted with 20 managers to form a detailed understanding of the underlying forces that affect manager motivation and

performance with special attention to unveiling cultural and economic factors that influence the daily reality of managers were then coded. Using grounded theory's system of coding the transcripts of the interviews were analysed for indicators of similarities and differences that represent the phenomenon under investigation. The main idea was to find words, phrases and sentences that refer and represent the phenomenon of manager motivation and socio-economic and cultural factors that influence this phenomenon.

1.7. Thesis layout

Chapter one has introduced rationale for the research and the context in which the research has been carried out. A brief review of the relevant literature focuses on the development of management theories from Taylor's scientific management to contemporary human resources management theories has been attempted to provide an exploratory framework for the present study and the method employed has been described.

Chapter 2, provide a comprehensive review of the most important aspects of the development of management theories is a change from highly deterministic model of management to today's dynamic models of management. As it will be shown in chapter 2, development of management thoughts since Taylorism certainly demonstrates a move from simple mechanistic models, especially viewing the Man as a cog in the bigger machinery, to more complex, dynamic models that now incorporate both environmental and individual factors in model building.

Chapter 3 provides a detail discussion of Iran, some key aspects of her history and focuses in particular on her development post the 1979 Islamic Revolution. One of the main objectives in chapter 3 is to shed light on management practices in Iran post the Islamic Revolution. As it will be shown in chapter 3, there is considerable agreement among scholars that Iran's poor economic performance post 1979 Revolution can be explained in relation to the conflict between demand of Islamic ideological purity and actual management needs of public administration. Chapter 3 also provides a detail analysis of Iran's agricultural industry and structure of the dairy industry.

Chapter 4 discusses the methodology applied to measure management motivation in the dairy industry in Iran. The main objective is to discuss the method applied to address the question of management motivation in the context of Islamic work ethics. As it will be demonstrated, a mixed method approach that is based on deploying both quantitative and qualitative measures is best suited for addressing the challenges of coming to terms with how work environment variables, job-content variables, managers' own perception of the reality of working for dairy organizations and culture affect manager motivation.

Chapter five will provide a descriptive analysis of the data collected. This chapter is mainly concerned with the analysis of the quantitative and qualitative data. Here the relevance of the data collected in relation to research questions and sub-questions are demonstrated.

In chapter six the processed data are used to provide a basis for a comprehensive discussion of all aspects related to perception of managers of their own motivation at work. In this chapter the importance of the need for including contextual factors in the analysis is demonstrated. This chapter further demonstrates that the contextual factor religion has fundamental influences on the perception of managers and the organization in which they work.

Finally, chapter seven provides a summary conclusion of this thesis and makes some recommendations about future research in this area. This chapter further discusses the main findings, their implications for other similar organizations, the need for future research and some of the limitations of the research.

CHAPTER TWO: DEVELOPMENT OF MANAGEMENT THOUGHT, MOTIVATION AND REWARD SYSTEMS

2.1. Introduction

Management theories have developed considerably since Fredrick Taylor's (1911) publication of the *Principle of Scientific Management*. Taylor is considered the father of the scientific approach to management because he introduced a systematic approach to analyzing and measurement of work that has had a lasting effect on the science of work measurement. For example, today Taylor's time and motion studies are still considered classic studies in the science of work measurement. The scientific community is showing renewed interests in reviewing and criticizing Taylor's work as 2011 marked the 100th anniversary of Taylor's *Principle of Scientific Management* (e.g., see Flynn 1998a; 1998b; Taneja, Pryor & Toombs, 2011). Critiques are in agreement that despite the continued debate about Taylor's management philosophy, his contributions are "an integral part of the foundation of the modern management" (Taneja, et al., 2011, p. 61). In this segment of this thesis, the discussion will focus on development of management thoughts from Taylor to the current trends in human resources theories.

Taylor's contribution to the science of management and the theories that developed later on in reaction to a highly deterministic approach to the role of workers in organization is discussed. As it will be demonstrated here, the human relations approach reacted strongly to the missing link in Taylor's

management approach arguing that individuals and groups of workers do not always behave in “the way the rational prescriptions of the economic man said they should behave” (Scott & Mitchell, 1972, p. 28). After having discussed importance of Taylorism in the history of management, the human relation approach will be discussed demonstrating its immense impact on the development of the science of industrial psychology (Kakabadse et al., 2000, 2005). At it will be shown here by introducing into work analyses, concepts from psychology and sociology, the human relations schools brought a whole new level of understanding to the science of management.

As it will be demonstrated here after the human relation approach, the most important development in the managerial thought has been the open system theory of management which sees organizations as complex system and the role of management as systematic coordination and integration of all subsystems of organization into a unite working toward a common organizational objective. Works of Mintzberg (1973), and Analoui (1995, 1997, 2007, 2010) will be discussed in detail to demonstrate the development of managerial though within the system/contingency theory. As it will demonstrated in this chapter while Mintzberg (1973) focuses on examining managers activities framing his findings in relation to roles of managers, Analoui’s major contributions to the field of management studies, amongst others, has been the exploration into parameters of managerial effectiveness. Chief among Analoui’s contribution is effectiveness of managers; a multifaceted phenomenon determined by a complex web of organizational, institutional and social factors (2010). This chapter will then

provide a detail discussion of the Human Resources Management (HRM) approach and will show the underlying tenet of the 'hard' and 'soft'/commitment approach in HRM. As it will be shown here key feature that distinguishes the soft/commitment HRM approach from classic personnel management approach is the emotional bonds that management establishes between employees and the organization (Boxall 1993). Key characteristics of HRM are a great deal of emphasis on processes that enhance employee commitment which entails cultivating organizations' human assets and a high level of trusts in individual employees (Analoui, 2007). The development of managerial thought will then be discussed in relation to content and process theories of motivation demonstrating the importance of the motivation as an important aspect of reward system and employees for maintaining high level of organizational performance.

2.2. Classical Management Theories

Nyland has provided the following definition of Taylor's Scientific Management which he points out is also in harmony with Taylor's own understanding viz.

“Scientific management is a system devised by industrial engineers for the purpose of serving the common interest of employees, workman and society at large through the elimination of avoidable waste, the general improvement of the processes and methods of production, and the

just and scientific distribution of the product”

(Nyland 1996, p. 986).

At the basis of Taylor’s scientific approach to management lies the quantitative approach to work measurement. According to Flynn since the heydays of the industrial revolution, managers sought to quantify exactly “how much a “machine” could produce. The machine might be a giant forging hammer or a man at a forge. It might be an entire factory, or a mine, or a room full of clerks” (Flynn, 1998a, p. 24). Before Taylor introduced his method of scientific management, the general approach adopted by managers was to ensure that the foreman put the men to work and monitored that they didn’t slack off. As Flynn points out, this system can be regarded as the “accountant’s method of establishing standards” (1998a, p. 24). Although this so-called accountant’s method may still be used in some places, Taylor realized that many workers had actually put into place soldiering, “which was a practice by which the workers would agree on a common work pace” (Flynn, 1998a, p. 24). A common work pace agreed by workers was not always beneficial to the objective of the factory owners and as Flynn points out a work pace agreed by workers tended to yield “about half the production rate that was achievable” (Flynn, 1998a, p. 28). Taylor’s major contribution was introduction of the method of time study, which involved close observation and analysis of pace of work as a function of number of elements that were involved in a given task. Today’s task analysis, i.e., an exact assessment of the number of elements that compose

a task (e.g., assembling a piece of machinery, involves) drive much of the foundational ideas from Taylor. Writing on this point, Flynn maintains that:

“Taylor’s method of time study had come to incorporate procedures that implemented most of the basic principles of today’s practice of work measurement....In 1884 Taylor hit upon an incentive scheme he called the differential rate system. ...Taylor’s primary objective in doing a time study was to establish an appropriate production rate to use as a basis for an incentive payment.” (Flynn 1998a, pp. 24-25)

Several key points emerge from Flynn’s discussion of one of the main contributions of Taylor to the scientific measurement of work. As it was noted prior to the above passage, Flynn underscores that Taylor’s time study method emerged to address soldiering, which was basically workers having agreed among themselves on a work pace and as noted above this pace in many cases was lower than what they could have produced at any given time. Taylor’s time studies method addressed this issue by conducting a form of task analysis and the amount of time tasks consumed. In addition to this basic problem, another central idea underlying Taylor’s time study method, as it can be seen from the preceding passage, was to develop an incentive scheme. The incentive scheme would come to be based on the production rate of workers. Thus, Taylor’s time study not only addressed soldiering, but

it also provided a platform for incentive payment based on workers rate of production. These ideas formed the basis of the modern incentive payment system based on the actual rate of production of workers. Commenting further on the importance of Taylor's contribution, Chris Nyland underscores:

“To equate scientific management merely with time study and labor control not only misconceives the breadth of Taylor's thought, but it also misrepresents its critical essence. Taylor insisted repeatedly that scientific management was not a collection of techniques, but rather an approach to management founded on a commitment to science and friendly cooperation”
(Nyland 1996, p. 987)

Nyland maintains that despite Taylor often being equated with the time study method and the image of Taylor standing above workers with a stop watch counting the seconds, his contribution far exceeds the time study method. As Nyland points out, Taylor underscored that scientific measurement of work is not to be seen merely as a simple collection of work, but, rather as a systematic method of management. This method of management, as Nyland points out is based on two central elements, viz., commitment to science for analysis and measurement of work, rather than rule of thumb and friendly cooperation.

Thus, as it has been demonstrated in this section, with Taylor the emergence of a systematic approach to analyzing work and its elements in order to determine the average time task consume, general rate of production of tasks and the development of a systematic incentive system based on rate of production can be clearly witnessed (Nyland 1996). Finally, authors who have attempted to summon Taylor's management approach have underscored that Taylor is the first who argued that "science, not rule of thumb, not discord, cooperation, not individualism, maximum output, in place of restricted output" should be the mission of a scientific approach to management (Scott and Mitchell 1972, p. 140).

In summing Taylor's management approach a brief synopsis of the criticism launched at this approach is certainly in place as this criticism came to form the basis of other approaches to management that emerged later on.

Despite positive evaluation of Taylor's heritage, there are dissenting voices too. As it will be seen a bit later when the human relation approach to management is discussed, one can see that the human relations approach in many ways developed as a reaction to Taylor's highly deterministic approach to management (Nyland 1996). Traces of these criticisms should be voiced at this point just to bear in mind that Taylorism and its management approach have faced considerable criticism. Halpern et al.,(1989) have summarized some of the main points of the critiques. As they point out:

“Some critics have charged that Taylor’s system viewed man as a machine—a cog in a wheel—and programmed every important motion a workman had to execute to complete an assigned task. Critics charged that this left workers with no discretion at all, and that it was extremely tedious for all but the most apathetic workers. Scientific management, critics added, mandated an extremely high division of labor, requiring only minimum skills, so workers were not encouraged to grow and develop on the job” (Halpern et al., 1989, p. 21).

As it can be seen here the most serious criticism is directed at the heart of Taylor’s scientific system of time and motion studies which fundamentally aimed at harmonizing man with machine and in so doing created a significant level of alienation among the working class. Here it suffices to bear in mind that the whole human relation approach to management came about because Taylor largely left intrinsic task motivation aside in his formulation of scientific management of work (Nyland 1996). As a result one of the most important opponents of Taylor’s management approach from the very beginning was the working class who saw the piece-rate method Taylor introduced as hostile to their interests.

Before proceeding to addressing the human relation approach, it should be pointed out that classic management theories such as Henri Fayol (1949) and Lyndall Urwick (1943) also form an important foundation of the classic organization theory. Although these theories were not empirically based, they helped pave the way for a better understanding of the “concepts of span of control, the line-staff relationship, and functionalism” (Pryor, et al., 2011, p. 963). As Pryor et al point out, Fayol’s management theory considered one of the classics of management approach, is based on 14 General Principles of Management, which have proven effective even in today’s organization. Important among these principles are effective organizational management based on division of work, authority and responsibility, scalar chain, adequate remuneration and unity of direction. These are key elements in organizational administration and planning that Fayol’s theory helped develop (Pryor et al., 2011).

Tuning on to discussing the human relation approach to management it is important to bear in mind that the most prominent characteristics of classic theories, which Taylor’s scientific management stands as their hallmark are:

- (1) Their static nature. That is, these theories are based on a set view of organizational behavior without taking into account a number of unintended consequences that can emerge due to the very static nature of their models.
- (2) Assumption that productivity is the best measure of a firm’s performance. This is not always the case as,

(3) These models ignore workers' motivation. i.e., the unintended consequences of zooming in on productivity leads to ignoring workers motivation.

(4) Placing heavy stress on rules may lead people to blindly follow orders.

As it can be seen from the above five characteristics, the static nature of classic theories is a major shortcoming. Both the human relations approach and the open system (contingency) approach reacted to this static nature of classic management theories and have provided theories that are much more flexible in modeling management in organizations.

2.3. The Human Relations Approach

The Hawthorne Studies at the Hawthorne Plant of Western Electric Company in Chicago (Mayo, 1933) were the foundation from which the human relations approach to management begun its important work. Writing on the significance of Mayo's studies, Bruce and Nyland point out that:

“... ‘human factor in industry’ was a reaction against, and solution for, the inhuman, techno-economism of Taylorism or SM. In other words, Taylorism’s allegedly single-minded focus on measurable productivity outcomes and (low-level) pecuniary methods of motivation, coupled with its bifurcation of conception and execution of productivity tasks (de-skilling), resulted in widespread opposition among ‘alienated’

individuals and organization labor” (Bruce and Nyldan, 2011, pp. 384-385).

One of the most significant issues that emerges from Bruce’s and Nyldan’s discussion in the above passage is that Taylorism approach to management, especially its conception and execution of productivity outcome which were totally detached from its effects on workers’ motivation (because of the de-skilling it created), alienated the workforce and organized labour. These miscalculations/misconstruals of management predicted other alternative approaches to management, especially with the wave of organized labour that forcefully reacted to the factory conditions Taylor’s approach to management had created. Elton Mayo’s studies shifted the methodological focus from assessing productivity to putting under the microscope the *psyche* of factory workers. If sources of alienation were demotivation and de-skilling that Taylorism had introduced, then the route to this type of worker’s reaction would certainly not go through more improved time studies, but through a better understanding and decoding of workers psychology. Elton Mayo deployed qualitative oriented methods (open conversations) for assessment of workers at the Hawthorne Plant of Western Electric Company. Writing on the method of Mayo, Winship argues:

“Mayo pioneered a non-directive form of interviewing which involved researchers developing open conversations in a manner not dissimilar to the Freudian technique of ‘free

association'. The researchers found that the non-directive techniques enabled the study participants to speak more candidly and answers were found to be vastly more illuminating than those derived from closed questions" (Winship, 2005, p. 234).

Winship (2005) demonstrates that Mayo's application of qualitative method of in-depth interviewing of workers enabled a much closer assessment of worker's reaction to the work environment and changes in the work environment. Whereas previous methods may have, at best, elicited a 'yes' or a 'no' response, Mayo's in-depth interviews with workers allowed workers to more openly speak about the work environment and the perceived effects of changes in the work environment. One of the most interesting and important aspects of Mayo's findings was that although researchers were out to understand how changes in a variety of environmental conditions (e.g., lightning, noise levels and work schedules) affect work satisfaction and motivation, they found that "changes in any of the working condition (either helpful or unhelpful) did not necessarily impact on output" (Winship, 2005, p. 234). These findings, unexpected indeed, stand at the foundation of Mayo's studies. The researchers instead uncovered one of the most interesting aspects of findings about significance of human relations in organizations and hence the title of the theory, the human relations approach to management. The researchers found that:

“the peer group relations among the workers were influential, and indeed some sub-groups of workers exerted such a strong peer pressure as to restrict output. So it was a coherent and interpersonally satisfied group of workers that was far more productive than an incoherent or antagonistic group” (Winship, 2005, p. 234).

Mayo's studies were the first research investigation that systematically applied a qualitative method of data collection and data analyses and provided some of the most interesting and unexpected results in the management field. Although today it is taken for granted that workers' motivation and factors that affect it play a central role in organizational efficiency, at the time the findings were unprecedented because they showed in a highly scientific way that workers were not primarily governed by economic motives alone, rather work stood for a more fundamental primary group activity perhaps arising from an essential need for benign social engagement” (Winship, 2005, p. 235).

Thus, as it is clear here, Mayo's seminal research studies at the Hawthorne Plant of Western Electric Company provided some of the most potent findings that spoke volume against Taylorism management ideas.

2.4. Open System Theory and Management

The human relations approach to management had a significant impact on the foundation of management theories that emerged in the 20th century. Certainly Mayo's studies rejected the simplistic view of the 'economic man' and demonstrated that work performance is not driven merely by economic interests and can depend greatly on work environment and organizational conditions (Winship, 2005). In addition to simple improvement in environmental conditions (such as better lightning and less noise), the human relations approach made it clear that management components such as communication, timely feedback and reward are essential to success of management in improving workers' productivity (Winship, 2005). Thus, by the mid-20th century we see more emphasis being placed on flexible and adaptable management and formulation of theories of management in relation to open system and contingency theories (it should be underscored that these two terms are sometimes used interchangeably. However, as it will be seen in this chapter, some scholars have pointed out that contingency theory of management is based on a higher level of abstraction of system theory concepts).

Writing on the history of forces that affected the development of system theory, Knut Holt maintains that:

“The system oriented school, which emerged around 1960, was influenced by analogies of

biological and physical systems. The organization is conceived as an open system with the focus on objectives, interaction between subsystems, and the capability to respond to opportunities and threats in the environment” (Holt 1998, p. 137).

The open system theory inherited many of the hard worn lessons of the human relations approach to management and expanded these using the language and science of the time in 1960s. As Knut Holt demonstrates the system oriented school of the 1960s greatly helped shape both the language and the theoretical framework of the open system theory of management. The main driving idea behind the open system theory is that a system is a collection of elements that are put together to achieve an objective. Thus, in system theory the elements are harmonized around a common goal (Hall, 1998; Analoui, 2002). In addition to this key feature of the theory, in system theory changes made to one element of the system will impact the system as a whole and hence inputs and outputs are related together in feedback loops.

Writing in a special issue that the *Academy of Management Journal* dedicated to the application of system theory to management in organization at the time, Kast and Rosenzwei argue that the system theory was embraced at the time because it:

“provide a relief from the limitations of more mechanistic approaches and a rationale for rejecting “principles” based on relatively “closed-system” thinking. This theory provides the paradigm for organization and management theorist to ‘crank into their systems model’ all of the diverse knowledge from relevant underlying disciplines” (Kast & Rosenzwei, 1972, p. 448).

Kast and Rosenzwei present an interesting discussion of the forces that brought the system theory to the management scene at the time. As it can be seen from the passage above, Kast and Rosenzwei (1972) maintain that the open system theory provided a much needed relief from the previous closed-system paradigm and scientists begun implementing ideas of open system theory into their models. Some of the key factors that sets an open system from a closed system is noteworthy here as it helps us better understand what sets modern theories of management apart from classic mechanistic models of management.

One of the most important aspect of the open system view is its *input-transformation-output* aspect (Kast & Rosenzwei, 1972, p. 450). It should be borne in mind that one cannot distinguish open systems from close systems in absolute terms and as Kast & Rosenzwei point out “we prefer to think of open-closed as a dimension; that is, systems are relatively open or relatively closed” (Kast & Rosenzwei, 1972, p. 450). The *input-transformation-output*

aspect is central to open systems because this feature makes open system dynamic and changeable. Open system receive feedback from the output status of the system and are able to use this information to transform the state of the system using feedback (Kakabadse, et al., 2004). Before moving on to discussing the effects of open system paradigm on organizational management it is important here to introduce the term *contingency theory* because, despite at times being used interchangeably, Kast & Rosenzwei make the case that contingency theory of management is actually based on a higher level of abstraction of system theory concepts (1972, p. 458). Kast & Rosenzwei underscore that early on in the development of system theory and its practical application to sphere of management, scholars realized that “the comprehensive systems of relationship is overrunning our ability to fully understand and predict these relationship”. As a results it was realized that “we need to work with system theory to make it more precise” (Kast & Rosenzwei, 1972, p. 458). In working to make system theory more precise in describing a complex set of relationship, a higher level of abstraction of system theory concepts emerged (Analoui, 1999). Kast & Rosenzwei points out, “what should we call this new midrange level of analysis? Various authors have referred to it as a “contingency view,” a study of “patterns of relationship,” or a search for “configuration among subsystems” (Kast & Rosenzwei, 1972, p. 459). The contingency view adds a higher level of abstraction to open system concepts by bringing into view a pattern set of relationship between subsystems in organizations that are configurable. Writing on the underlying conceptual framework of contingency theory, Lorsch and Lawrence (1970) point out:

“During the past years there has been evidence of a new trend in the study of organizational phenomenon. Underlying this new approach is the idea that the internal functioning of organization must be consistent with the demands of the organizational tasks, technology, or external environment, and the needs of its members if the organization is to be effective. Rather than searching for the panacea of the one best way to organize under all conditions, investigators have more and more tended to examine the functioning of organizations in relations to the needs of their particular members and the external pressures facing them. Basically, this approach seems to be leading to the development of a “contingency” theory of organization...” (1970, p. 21)

As it can be seen here, Lorsch and Lawrence provide a concise definition of the contingency theory and its roots in the open system theory of organizations. Several key characteristics of the contingency theory of organization are laid out and as it can be noted these are closely related to the open system view of organization. Firstly, as it can be seen from Lorsch’s and Lawrence’s definition, the contingency theory of organization is based on the view that the internal functioning of the organization must

reflect the external demands of the organization in a consistent way. This reflects the overall view of open system theory in which inputs and outputs are related in a *transformational* way.

Secondly, and more importantly, as it can be seen from the last part of the passage, Lorsch and Lawrence underscore that the main driving idea behind contingency theory is a rejection of any panacea—one golden rule—of management and organizing organizations. This rejection of a golden rule can be regarded as the corner stone of the contingency view of organizational management. This view (as it will be seen in the next section in relation to the work of theorists who have applied the contingency theory of organizations and management in organizations) underscores that management should be contingent upon external environment's requirement and members' needs (Kakabadse et al., 2004).

Having shed light on some of the main concepts underlying the open system theory and its higher abstraction, viz., the contingency views of management in organization, the discussion here proceeds by presenting what some scholars see as the main aim of application of system theory to organizational management. According to Johnson et al.:

“The aim of system theory for business is to develop an objective, understandable environment for decision making; that is, if the system within which managers make decisions can be provided as an

explicit framework, then such decision making should be easier to handle. But what are the elements of this systems theory which can be used as a framework for integrated decision making (1964, p. 372)”

As it can be seen here according to Johnson et al. (1964), one of the overriding objectives of application of systems theory to the sphere of business is to model business decision making in organizations and in so doing to help improve productivity and employee satisfaction.

In addressing this task, the first step, as it can be seen from Johnson et al's position, is to delineate the elements of the system for an integrated decision making. In open system view organizations are often modeled in relation to “certain key subsystems and/or functions” that are seen as essential (Johnson et al., 1964, p. 372) to most businesses. As Johnson et. al demonstrate in application of a system theory to management, six subsystems are often essential to most organizations that must function in an integrated manner for success of organizations. These six subsystems, as they points out, are as follows (Johnson et al., 1964, p. 373):

1. Organizations often relay on a *sensory subsystem* which is designed to sense changes within the organization and the external environment.
2. Most organizations apply an *information processing* subsystem that process raw data which reflects how key objectives are pursued. Accounting divisions in organizations are important subsystems in

most organizations that provides factual raw data as to the status of the organization in relation to its objectives.

3. In most organization a *decision-making* subsystem is involved which receives information and then applies this input information for output-planning.
4. In most organizations a *processing subsystem* lies at the bases of the organization's metabolism by utilizing "information, energy, and materials to accomplish certain tasks" (Johnson et al., 1964, p. 373).
5. Organizations rely on a *control subsystem* with the objective of ensuring that organizational processes are in line with planning. This subsystem is essential for feedback control which is so central to the whole open system view.
6. In line with the system view of organization, effective organization apply a *memory subsystem* which plays a pivotal role in implementing planning through record keeping, manuals and procedures.

As it can be seen here, Johnson et al., (1964, p. 373) provide six subsystems that are essential in most organizations for an effective performance and achievement of goals. In line with systems views, these subsystems must function in an integrated manner.

One of the immediate points that should be made note of among the above noted six subsystem elements is the *control* subsystem (point 5 among the above noted points). It is important to bear in mind and recall that in the foregoing introduction to the conceptual underpinning of the system theory, it

was underscored that one of the key features that sets apart open systems from closed systems is the *input-transformation-output* aspect of open systems (Kast & Rosenzwei, 1972, p. 450). As it can be seen from the above noted six subsystems, the *control* subsystem plays a pivotal role in integrating the process of input and output through *feedback*. Using feedback the control subsystem is able to modify the state of the system and redirect it toward its stated objective. Thus, this key feature should be kept in mind as the central role of the *control subsystem*.

The above noted six subsystems form the foundation subsystems and function to serve the system's overall objective. Johnson et al. (1964) underscore this point by noting that when a business is modeled according to the system concepts, the functions of planning, controlling and communicating are essential and there is a definite change of emphasis on operation of the system not as separate entities, but as revolving around the systems' objective. Thus, "everything revolves around the system and its objective, and the function is carried out only as a service to this end" (Johnson et al., 1964, p. 376). An important point that emerges here and is helpful for a better understanding of the distinction between an open system view of organizations and management in organizations and classic mechanistic view of organizational management is the *assumption of hierarchy* among subsystems. In open system view, there is an assumption of hierarchy among subsystems. That is, if we were to comply with a strict version of the open system theory, the above noted six subsystems would have to be arranged according to a more rigorous hierarchal order. Hierarchy

among subsystems in open system view indicates that not all subsystem are seen as equally essential (Analoui, 1999; Kakabadse, 2004).

Another important feature that emerges from the above presentation of the open system view of organizations is that in line with this model if there is an outage in one of the subsystems, the functioning of the whole system will not be disrupted. Contrary to this feature that so characterizes organizational operation in systems view, in many classic organizational theories a malfunctioning of one subsystem has the potential to disrupt the function of the whole organization (Kast & Rosenzwei, 1972).

As it will be seen in the next section open system and the higher abstraction family of theories that are often subsumed under the contingency theories of management have had an immense impact on our understanding of organizations and what modern management is all about. Writing on this issue under the heading *Systems Concepts and Management* Johnson et al., (1964) maintain:

“Managers are needed to convert the disorganized resources of men, machines, and money into a useful and effective enterprise. Essentially, management is the process whereby these unrelated resources are integrated into a total *system for objective accomplishment*. A manager gets things done by working with people and physical resources

in order to accomplish the objective of the system.
He coordinates and integrates the activities and work
of others rather than performing operation himself.”
(Johnson et al., 1964, p. 376”).

As it can be seen here, in system theory management is seen as the task of bringing together the disorganized totality of power of men and machine and processes into a harmonious unite pushing toward a total system objective. The total system objective is the essence of what in this view is seen as central, viz., in a systematic fashion bringing it all together, coordinating and integrating all subsystems to work toward the common system objective.

As it will be seen in the next sections that discusses the work of central management theories (e.g., Mintzberg, 1973, 1979; Kakabadse et al., 2004; Analoui, 1999, 2010) manager's work is seen as the pillar that maintains the organization intact and as Johnson et al. (1964) have pointed out is the essence in working toward the total system objective. Here in brief it should be noted that much in line with Johnson et al.'s view (1964), Mintzberg defines managers as:

“Those persons formally in charge of the
organizations or their sub-units. This excludes
many of those in ‘middle management’
(Mintzberg, 1973, p. 3).

Certainly Mintzberg's view of the role of managers in organizations as those who are in charge of *subunits* falls well within the open system view of managers as dynamic agents who are in charge of controlling, coordinating and working toward total system objective. Elaborating on Mintzberg's view of role of managers in organization, Lamond (2003, p. 13) puts forward the following as key points.

- Ensure that organization serves its stated objective, that is, managers are central figures who work to ensure that organization as a whole work efficiency in the production of goods and services.
- Maintaining stability of organization using stated objectives.
- Ensure that organization serve the ends desired by stakeholders.
- Ensure organization status quae are maintained by providing a critical link between input and output sub-systems.
- Provide an *information link* between organization and its external environment.

The main point to bear in mind at this juncture, as this section is concluded, is how the role of managers is defined by key scholars of management such as Mintzberg. Much in line with how scholars of system theory have defined the role of managers in organizations as he/she who ties unrelated resources into an integrated total system objective (Johnson et al., 1964, p. 376), Mintzberg also construe of managers as those agents that bring harmony, accord and unity to organizations providing an information link between organization and external environment. These ideas are elaborated upon

more closely in the next section that discusses modern theories of organizations and management of organizations (Mintzberg, 1964).

2.5. Contingency Theory of Management

Mintzberg theory is based on an open system approach incorporating contingency theory as he believes that;

“effective organizations achieve an appropriate balance between tasks, environment, and organizational structure but sees his configuration approach taking it further. This he characterizes as ‘getting it all together’, in which the elements are selected to achieve consistency” (Walker, 2007, p. 46).

In this section the focus is turned on to the work of the theorist whose scholarly work has been classified within the open system/contingency framework. The work of Henry Mintzberg has received considerable attention within the management field. As it can be seen from the passage prefacing this section Walker (2007) argues that Mintzberg’s work is based on the conceptual framework of the open system theory incorporating elements of the contingency theory discussed in the foregoing section. Mintzberg’s work begun receiving attention in mid 1970s with the publication of his 1973 book entitled ‘*The Nature of Managerial Work*’ (Mintzberg, 1973). One of the most important aspect of Mintzberg’s theory, in relation to application of the

broader system theory, is the laying out of *ten managerial roles* (these are discussed in details in the following) which Mintzberg argued are performed by all managers to a *varying* degree. Mintzberg's terming his theory a *contingency theory of management* is derived from managers performing these ten roles in a *variety* of degrees that is contingent upon the following six parameters (Mintzberg 1973, pp. 103-106):

- (1) Size of the organization
- (2) The industrial sector of the organization
- (3) The managers' level in the organization
- (4) The function of the unit of the manager. For example, whether the manager works in an administrative unit or in a marketing unit
- (5) Person factors. Person factors can include a host of characteristics ranging from personality factors to a religious value systems
- (6) Changes in job content over time.

It seems evident that in Mintzberg's theory, these six parameters induce ten different roles that each manager performs to a *varying* degree. Before proceeding to discuss these ten roles in detail, Mintzberg's definition of managerial roles is important to take note of. According to Mintzberg manager's roles is "an organized set of behaviors belonging to an identifiable office or position" (Mintzberg, 1973, p. 54). In

Table 2.1: Managerial Roles and Their Descriptions

<u>Roles</u>	<u>Description of Role Content</u>	<u>Examples of Activity</u>
1) <i>Figurehead</i>	The Figurehead role include symbolic, legal and social roles	Signing legal documents. Presenting the organization outward in ceremonies and solicitations
2) <i>Leader</i>	Roles includes motivating subordinates, staffing the company with desired manpower	Most managerial activities that involve overseeing subordinates activities
3) <i>Liaison</i>	In this role managers work to maintain network of contact and information from outside	Common activities include correspondence such as acknowledging mail
4) <i>Monitor</i>	In this critical role mangers work to gather information in order to develop as complete of an understanding of the organizations environments as possible	This critical role is basically the never center of the company where internal and external information for the organization are gathered
5) <i>Disseminator</i>	In this role the manager transmits information he/she receives from outside the organization and/or from subordinates working inside the organization to other members	Many types of communication mangers are involved in daily bases are good examples of this type of role activity
6) <i>Spokesman</i>	In a spokesman role the managers transmit information to the external environment of the organization about organization's plans and policies	Promotion of organization is an important example of the type of activities that managers in this role fulfill
7) <i>Entrepreneur</i>	The manager in this role scans both inside and outside the organization for opportunities that can improve organizations productivity	Entrepreneurial activities involve constantly searching inside and outside of the organization for new opportunities that can enhance productivity of the organization.

8) <i>Disturbance handler</i>	Organizations often face numerous sources of conflicts that managers in their role as disturbance handler must predict and correct	Crisis handling is an important example of the type of activities that managers in their role as disturbance handler engage in
9) <i>Resource allocator</i>	As a resources allocator managers engage in distributing resources of the organization in a just and balanced way	A host of daily activities that involve budgeting and distributing reward to subordinates
10) <i>Negotiator</i>	Managerial activities that seeks organization's interests through negotiations	Negotiating and pushing organization interests through negotiations

Source: Mintzberg (1973, pp. 72-73)

this definition the organized set of behavior that are related to an identifiable office is important to take note of. Based on this definition, Mintzberg reports ten different roles managers tend to assume. These roles, Mintzberg's description of these role contents (see Table 1), and examples of managerial activities that each of these ten roles are based on are as follows (Mintzberg, 1973, pp. 92-93).

In Mintzberg's contingency model, the above ten managerial roles are divided into 3 categories that are important for a better understanding of managerial activities. Mintzberg argues that a manager's *interpersonal* role is reflected in figurehead, leader and liaison roles noted above (Mintzberg 1973, p. 56). The second category in Mintzberg's model of managerial roles is termed *informational* and includes the managerial roles monitoring, disseminating and spokesman noted above (Mintzberg 1973, p. 56). The

third managerial role category in Mintzberg's model is called *decisional* and includes the above noted managerial roles entrepreneurial, disturbance handler, resource allocator and negotiator.

Mintzberg argues that each one of the above noted ten roles are observable. That is, one can in fact observe a manager engage in, e.g., disturbance-handling and acting as a leader and a figurehead (Mintzberg 1973, p. 57). An important aspect of Mintzberg's model of managerial roles is that although they can be described individually and are observable, roles are seen as a *gestalt* of activities. This seems to be one of the main reasons Mintzberg categories the ten roles into three broader roles that emerge as a gestalt (Mintzberg, 1973, p. 58).

Thus, while the ten roles are important for coming to terms with elements of managerial roles, it is the broader categories of *interpersonal*, *informational* and *decisional* roles, which emerge in a varying degree (i.e., are contingent) in relation to other six classes, viz., size of the organization, the industrial sector of the organization, managers' level in the organization, the function of the unit of the manager, personal characteristics and changes in job content. Mintzberg's theory of management and its underlying principles have been the focus of considerable scholarly attention and criticism (e.g., Lamond 2003; Walker, 2007; Matheson, 2009). In light of the above discussion and presentation of the roles managers perform, Lamond's analysis of Mintzberg's work is important as he raises some very important criticism about managerial roles that one has to bear in mind while reading

Mintzberg's position on this issue and how Mintzberg arrived at the managerial roles he raises in his work. In a detailed analysis of Mintzberg's work Lamond underscores:

“It is important to note however, that, in discussing the differences in managerial work, Mintzberg ...is concerned with the emphasis of different roles rather than the differences in operationalising the behaviors attendant on each role...In essence, Mintzberg defines management as what managers do and then defines managers (rather narrowly) in turn—the results is that management (and managerial behavior) is defined in terms of the behavior the group of individual called “managers “rather than being drawn from (or indeed then contributing to) some theoretical base. Indeed, he remains unmoved in this view in subsequent years...” (Lamond, 2003, p. 16)

Lamond (2003) raises some highly important points that one has to bear in mind while reading Mintzberg and his overall theory of management. Lamond's point, as it can be seen from the above quotation, strikes a serious blow to the method underlying Mintzberg's studies. First in Lamond's line of criticism is that by starting from the assumption that *management is what managers do* and then observing the behavior of a group of individuals called managers, Mintzberg study in essence lacks any theoretical base. That is, as

it can be seen from Lamond's view, Mintzberg did *not* begin his observations (that is collection of data) by first systematically "operationalizing the behaviors attendant on each role" managers perform (Lamond, 2003, p. 16). Lamond's position here falls firmly within the classic positivism view of scientific method of data collection and the need for first systematically operationalizing variables (Duran, 1995).

Lamond's detail reading and analysis of Mintzberg's work demonstrates that in subsequent research publications Mintzberg has been unmoved by this criticism. One reason that one may argue can explain this configuration in Mintzberg's investigations and his subsequent theory of management is the classic difference in view on research methodology between positivism and constructivism/interpretative approaches (Duran, 1995; Khalifa, 2010). Interestingly this point is implicitly raised in Lamond's detailed analysis of Mintzberg's work. In its briefest, the issue is whether a scientific study will have enough methodological vigor if it is based on the assumption that management and managerial behavior can be systematically investigated by examining what a group of individuals *called* managers and *occupying* managerial positions in a given firm do. Lamond's position is that this approach lacks the kind of vigor expected by positivism. In support of this argument we can certainly point to the valid point Lamond raises, viz., that Mintzberg failed to begin with a firm theoretical foundation that first clearly operationalized the behaviors attendant on each managerial roles and *then* went on to investigate the occurrence of these behaviors in people he found occupying managerial positions. Here it should be underscored that Lamond

is aware of differences in methodological approach between positivism and constructivism /interpretative approaches and the fact that Mintzberg's studies is informed by the latter approach.

As Lamond points out:

“ Mintzberg “defines “roles” as “ an organized set of behaviors belonging to an identifiable office or position”...and says that “personality may affect how a role is performed, but not that it is performed...actors, managers, and others play roles that are predetermined, although individuals may interpret them in different ways” (Lamond, 2003, p. 14).

As it can be seen here in Mintzberg's approach roles are organized set of behavior that belong to a given/certain office and although personality may affect how roles are played out, occupiers of certain offices (that is, managers in their managerial roles) are allocated *predetermined* roles that must be acted on in a given way. An important issue that must be born in mind is that Mintzberg acknowledges that individual differences in roles played out are due to variation in interpretation of pre-determined roles. That is, each manager will interpret pre-determined roles of the managerial office in a unique way. Thus, here there is an element that is central in constructivism, namely, that in order to fully come to terms with a given phenomenon, which in this case is how role are played out by managers, there is a need to tap

into the *interpretative processes* through which each individual manager constructs and understands the phenomenon of management. In light of these points Lamond raises, there is little doubt that Mintzberg's theory of management is based on constructivism/interpretative methodological approach. This is an important point that will be elaborated on throughout this present thesis.

At this point the distinction in methodology between positivism and constructivism should be borne in mind and the interpretative process by which managers construe of their managerial roles is important to pay heed to. Andrew Kakabadse, John Bank, and Susan Vinnicombe expand on this point using the notion of *personal history* of managers and further shed light on some important sources of variation of managerial roles and the ideas of the interpretative aspects of roles noted above (2004, p. 26). According to Kakabadse et al:

“individual come into managerial jobs with personal histories. They have values, for example honesty, integrity or morality... Mintzberg asserts that each individual has a set of mental models to interpret the world. All of these individual characteristics come together to influence how the manager approaches his or her job. This is referred to as the manager style of managing” (Kakabadse et al., 2004, p. 26).

Elaborating further on an important factor underlying the observed variations in managerial roles, Kakabadse et al., maintain that in Mintzberg's model managers enter their roles with *personal histories* that includes characteristics of personality as well as values and moralities. As it can be seen from the above passage, Kakabadse et al's account of effects of personal histories on managerial roles, value systems and moralities can be construed as mental models that managers apply to interpret the world and certainly the job of management. At this point it is important to pay heed to the important role Mintzberg gives to personal histories of managers in affecting manager's perception of their roles. Within the mental models that Mintzberg applies to argue for how the job of management is perceived are important value systems and moralities. Having underscored this point, a brief elaboration on differences in western and Islamic work ethics some scholars have raised is noteworthy as this distinction will be used in this present thesis to contextualize management roles, managerial reward systems and human resources policies and motivation.

Several scholars have argued that most models of managerial processes (especially the relationship between reward system, motivation and managerial roles in influencing these processes) have been formulated within the western notion of work ethics (e.g., Ali, & Azim, 1999). In these models values systems and moralities which, e.g., Mintzberg argues form the mental model of managers, are informed by western conceptualization of underlying processes of motivation. A line of research on management motivation and Islamic work ethics have, for example, demonstrated that

assessment of motivation to manage (e.g., Ebrahimi, 1997) and managerial effectiveness and reward systems in Islamic countries (Analoui, 1999; 2002) must be approached by focusing on cultural and socio-economic institutions that influence managers' motivation (Analoui and Hosseini, 2001). In light of the importance of the factor personal history that can be seen in Mintzberg's model of management and Mintzberg's emphasis on mental models of managers (Kakabadse et al., 2004, p. 26), the distinction in the underlying processes of motivation between western and Islamic work ethics that has been raised is important and should be borne in mind when examining motivation to manage and manager's motivation in Islamic countries.

Another important aspect of Mintzberg's contingency theory of management that Kakabadse et al, raise is the notion of *frame* (2004, p. 27). As Kakabadse et al., point out:

“how a manager ultimately performs in a job is determined by how he or she conceives its frame. The frame can be imposed by senior management or left to be developed by the manager, thereby encouraging entrepreneurship. Secondly, the frame can be sharp or vague...” (Kakabadse et al., 2004. p. 27).

Frame can be construed as the structure surrounding the managerial role. As it can be seen from Kakabadse et al.'s position a frame can be set by senior

manager and hence allow little creativity or can be flexible and encourage entrepreneurship. In addition to rigidity and flexible of frames affecting managerial roles, frames can be sharp or vague. A strict demand on increasing sales within a unit entails a sharp frame set on the unit manager, while demanding enhanced productivity by the end of the year will impose a vague frame. Frames affect managerial role perception dramatically because they dictate what is necessary and the time frame for a given accomplishment.

In rounding up this section, Mintzberg is regarded as an important figure in modern management thoughts and is associated with the contingency approach to management. This section focused on some of the main elements of Mintzberg's model of management in order to demonstrate what exactly is meant by a contingency model of management. As it has been demonstrated in this section, central to Mintzberg's theory is the decomposition of management in terms of roles. As demonstrated here in Mintzberg's model there are ten managerial roles which Mintzberg argues are performed by all managers to a varying degree. The whole idea behind a contingency theory of management is that managers perform these ten roles in a variety of degrees that is contingent upon a number of factors such as size of the organization, the industrial sector of the organization, the managers' level in the organization, function of the unit of the manager, change in job content over time and more importantly, the person factor. The last named, that is, the person factor was elaborated here to demonstrate that managers bring with them a set of cognitive models of the world which

includes important values and moralities. As underscored in this section, the value-system managers bring to organizations is key for uncovering manager motivation and the overall processes of motivation at play. As argued in this section it is important to pay heed to variation in person factor which is influenced by the value-system (worldview) of managers. Islamic work ethics affecting motivation differently in Islamic world was stressed when composing model of managers' motivations in Islamic societies (Ali & Azim, 1999).

2.6. Roles of Managers to Effectiveness Of Managers

While highly recognized and cited contributors to contingency theory of management, such as Mintzberg, focused on examining managers activities and then framed their findings in relation to the roles of managers, others scholars have argued that challenges of management theory lies in answering more practical questions, viz., *what managerial effectiveness* is all about (Drucker, 1967; Reddin 1968; Campbell, Dunnette, Lawler and Weick, 1970; Analoui, 1995; 1999; 2010). In the field of management theory writers such as Reddin (1968) and Campbell et al. (1970) began focusing on issues of management effectiveness as early as 1960s and 1970s by defining effectiveness and trying to measure it using surveys. In the recent two decades Analoui's work (for an in depth reviews see Analoui's 1995, 1999 and 2010) on managerial effectiveness very well demonstrates the value of addressing managerial effectiveness and also provides a good synopsis of past work on managerial effectiveness (Analoui, 2010). In his 1995 article Analoui puts the argument for focusing on managerial effectiveness very well. As he writes:

“The art of management training and development, especially for senior managers, has come a long way since the perspective stand adopted by the founders of management who placed a disproportionate emphasis on the importance of technical or task-related knowledge and skills as a means of improving the effectiveness of managers” (Analoui, 1995, p. 52).

Noteworthy in the above passage, especially in light of the overall scope of materials presented in this chapter, is Analoui’s historical perspective. As it can be seen from the passage, Analoui makes the point that early managerial models placed a disproportionate emphasis on technical and task related skills. In filling this gap Analoui has focused considerable research effort on investigating managerial effectiveness and, more importantly, on finding practical ways through which managerial effectiveness can be enhanced (1995, 1999, and 2010). Before proceeding to present this research a brief presentation of “this organizational phenomenon, illusive in nature,” (Analoui 2010, p. 57) is of considerable value to the overall scope of this present thesis as it demonstrates the move of managerial theory from early deterministic and simplistic models that disproportionately stressed technical skills to more complex open system models of management theories that now stress managerial effectiveness.

Some of the early work that actually used the term *managerial effectiveness* can be seen in the 1960s and 1970s. In 1968 W.J. Reddin presented a 3-D theory of situational management based on an eight style typology of

management behavior in which effectiveness, task-orientation and relationship-orientation are used as elements forming eight possible configuration of management style (Reddin, 1968).

In his article Reddin defines managerial effectiveness in terms of an input-output relationship. As Reddin puts it effectiveness is “the extent to which a manager achieves the output requirements of his position” (Reddin, 1968, p. 237). As it can be seen here for Reddin effectiveness of managers is equal to manager’s *actual output capacity*. A few years after Reddin’s article appeared, Kassem and Moursi (1971) provided a review essay of some of the major books on managerial effectiveness that had been published in late 1960s and early 1970s. Noteworthy in Kassem’s and Moursi’s (1971) review essay are Drucker’s 1967 book “The Effective Manager” and Reddin’s 1970 book “Managerial Effectiveness”.

Citing Drucker’s 1967 book, Kassem and Moursi point out that Drucker defines effectiveness of managers in two settings. In one setting, Drucker defines effectiveness as “a habit, that is a complex of practices—expected to get the right things done” and in another context defines effectiveness as a self-discipline which can be learned but cannot be taught” (Drucker 1967, pp. 1 and 166; cf. Kassem and Moursi 1971, p. 382). Kassem and Moursi also refer to a 1970 book by Redding in which he defines effectiveness as:

“the extent to which a manager achieves the output requirements of the position...It is the manager’s job

to be effective. It is his only job. ME (manager effectiveness) has to be defined in terms of output rather than input by what a manager achieves rather than by what he does” (Reddin, 1970, p. 3 cf. Kassem and Moursi, 1970, p. 383).

Certainly views of Reddin (1968) and Drucker (1967) on managerial effectiveness is different. While Drucker focuses on the psychological components of managerial effectiveness, Reddin (1968) looks at managerial effectiveness from the angle of the quantitative method, that is, how to quantify management effectiveness. Drucker defining managerial effectiveness as a habit of thought seems less concerned with how it can be exactly quantified and more with than how it is represented in organizations, irrespective of the method that has to be applied to measure it. Kassem and Moursi also provide a review of Campbell, Dunnette, Lawler and Weick book “Managerial behavior, performance, and effectiveness” (1970). In this book Campbell et al review a number of models and empirical evidences on the topic and end up providing their own framework which posits that managerial effectiveness varies as a function of individual characteristics and the set of expectations that is placed on the manager by a variety of factors that include the administrative, social environmental and organizational factors. Campbell et al, explicitly raise reward systems and organizational policies as important factors affecting managerial effectiveness (1970, p. 12).

One of the most important aspects of Kassem's and Moursi's review of the works on managerial effectiveness at the time is the synthesis they provide. Kassem and Moursi (1971) arrive at four key areas of agreement in the literature at the time on what constitutes effective management. As they points out, "there is agreement among authors on the following points:

- (1) That these independent variables are interactive in their workings and varying in their impact depending on the person and the situation;
- (2) That effectiveness is a product of many variables rather than one single factor;
- (3) That personality traits are not unimportant; and
- (4) That the situation surrounding a manager is an important factor affecting his goal-seeking behavior" (Kassem and Moursi, 1971, p. 383).

As it can be seen from the above points managerial effectiveness is certainly a multidimensional phenomenon depending on a host of individual and environmental factors. Kassem and Moursis stress this point by underscoring that monistic models are not suitable for framing managerial effectiveness. As they points out in order to build a better understanding of managerial effectiveness and measure it accurately one has to rely on "heuristic and pluralistic" models (Kassem and Moursi, 1971, p. 383). This is exactly the approach Analoui adopts in his studies of managerial effectiveness in organizations (Analoui, 1995; 1999; 2010).

In a recent article that builds on more than two decades of research and publications on managerial effectiveness, Analoui provides some key arguments that are important for the context of the present discussion (Analoui, 2010). In this article, Analoui rejects the view that managerial effectiveness can be modeled in relation to relatively few elements such as that presented by Stewart (1991) who has maintained that demand, constraints and choices are the only central factors that affect managerial effectiveness (Analoui, 2010, p. 58).

Underscoring his rejection of modeling managerial effectiveness in relation to only a few parameters, Analoui maintains the “constraints, choices and opportunities confronted by managers constitute only one of the eight parameters responsible for the effectiveness of senior managers” (Analoui, 2010, pp. 58-59). Here Analoui is referring to the relatively narrow frame that Stewart has adopted in accounting for managerial efficiency viz. that demands, constraints and choices are sufficient for coming to terms with managerial efficiency (Analoui, 2010, p. 58). Thus, as it can be seen from this first key point, Analoui argues that effectiveness of managers is decided by a more complex set of variables which he refers to as “the eight parameters responsible for effectiveness” (Analoui, 2010, p. 59). Before proceeding to discuss these eight parameters, it is important to point out another key factor Analoui raises in conjunction with his discussion of effectiveness of managers. According to Analoui:

“Writershave attempted to identify the necessary ingredients for the effectiveness of senior managers (leaders). Thus, it has been argued that there is not only a need to understand the processes involved...but it is also imperative to find practical ways of improving senior managers effectiveness”
(Analoui, 2010, p. 59)

As it can be seen here a very important aspects in Analoui’s line of argument is the practical implications of his model building. That it, as he underscores theoretical understanding of effectiveness of managers is important, but is *insufficient* when it comes to addressing managerial inefficiency in organizations. The need to both arrive at a solid theoretical framework as well as address the practical needs of finding ways to improve senior manager’s efficiency has, hence, been an important research objective in Analoui’s work.

Analoui’s 1999 study of senior managers in Ghana is a classic study that applied a mixed method system (that is, both quantitative based questionnaires and qualitative based semi-structured interviews) for tapping into the multivariate of factors that affect senior manager’s effectiveness. That is, as Analoui’s writes, the objective of the study is to “identify the casual and behavioral influences which determine the managerial effectiveness of senior managers” (Analoui 1999, p. 362).

In brief, the study involved collecting data from 129 senior managers and executives of Ghana's Ministry of Environment and Science and Technology (Analoui 1999, p. 365). Both open and closed survey questions were used to explore managers' views on a host of factors that they perceived affected their effectiveness. For example, managers were asked:

- How would you describe an effective manager?
- Please suggest between three to five managerial skills, in order of priority, which in your view is essential for ensuring increased effectiveness.

Other questions tapped into organizational and motivational policies (that is reward systems in the organization). Presence of "choices" and "opportunities" for exercising effectiveness in the organization, nature of inter-organizational relationship, and managerial philosophy at work in the organization were also examined. Surveys were supplemented by semi-structured interviews.

Results of Analoui's 1999's study came to pave the way for looking at the issue of managerial effectiveness in a new light. Chief among the findings were that effectiveness is a multifaceted phenomenon determined by a complex web of organizational, institutional and social factors. Overall Analoui's 1999 study revealed eight parameters that affect effectiveness of managers. These are (Analoui, 1999, pp. 367-386):

1. Perception of managers of their own effectiveness

2. Managerial skills (or lack of) which affects their effectiveness/ineffectiveness
3. Organizational criteria for effectiveness
4. Motivation for senior manager's effectiveness
5. The degree of "demands" and "constraints manager face
6. Presence of choice available to managers in the organization
7. Inter- and intra-organizational characteristics
8. Prevailing managerial philosophy in the organization

The complex, multivariate nature of managerial effectiveness is clearly demonstrated in Analoui's 1999 study and since then has been replicated (e.g. see Analoui's 2010 study of senior managers' effectiveness in Oman). As Analoui's points out, findings resulted in:

"identification of a group of causal and behavioral influences, *independent* as a category but *interdependent* on one another. Each revealed one aspect associated with managerial effectiveness" (Analoui 1999, p. 367).

As it can be seen from this passage, the eight parameters determining managerial effectiveness are *independent* as categories. That is, each parameter sheds light on a different factor that affects efficiency of managers. Furthermore, as Analoui underscores these eight parameters are

also *interdependent*. That is, changes in one parameter are expected to induce change in another parameter. These characteristics of the group of variables that came to form the eight parameters Analoui speak of are important to take note of as they are closely related to the foregoing discussion on open system and contingency theory. Central here and tied to the foregoing discussion on open system/contingency theory of management is that these eight categories, although *independent* as categories, are *interdependent*. In line with the broader prediction of system theory discussed in the foregoing section (viz., that changes made to one element of the system is expected to impact the overall system as a whole and hence inputs and outputs are closely related in a complex feedback loop), Analoui very well demonstrates the predictive power of system theory in a practical research setting. Much in line with the overall foundation of the system theory, especially, the interrelationship of elements of a system, Analoui shows that eight independent parameters affect managerial efficiency interdependently. For example, the parameter *nature of inter-organizational relationship* very well demonstrates the complex, interdependent nature of managerial efficiency. Analoui's findings show that:

“implicit and explicit remarks were frequently made where the overall subject of managerial effectiveness was being discussed. All respondents saw their effectiveness as being affected, if not determined, by the overall effectiveness of the organization”
(Analoui, 1999, pp. 382-382).

The seventh parameter in Analoui's model of managerial effectiveness very well demonstrates the interdependence of manager's effectiveness on the overall effectiveness of the organization. The parameter motivation also demonstrates that effectiveness of managers also depends on the broader reward systems within the organization. The influence of organizational reward system on manager's motivation will be discussed in detail in the next sections. At this juncture some of the main points raised in this section should be reiterated to summarize the key issues under focus.

This section brought to light the importance of examining management beyond the classic approach of roles of managers. As noted here while highly recognized scholars of management (especially Mintzberg) have focused on assessing managers activities in relation to roles, a new approach was adopted by scholars such Reddin (1968), Campbell et al. (1970) and Analoui (1995; 1999, 2010). The rationale for this move is very well put by Analoui in his 2010 article in which he underscores that early managerial models placed a disproportionate emphasis on technical and task related skills of managers while some contemporary models of management have adopted a too narrow of an approach (e.g., Stewart 1991) by bringing into model building only a few elements (that is, demand, constraints and choices in organizations). As pointed out here by 1970s Reddin (1968) and Campbell et al (1970) began focusing management theories on managerial effectiveness. Reddin defined effectiveness in quantitative terms by arguing that it is the real output of the position. Drucker (1967), on the other hand, argued that it is a habit of thought and is

represented by getting the right things done. In their review of the field at the time, Kassem and Moursis (1970) came to the conclusion that monistic models are not suitable for framing managerial effectiveness and argued in favour of more pluralistic models. This is exactly the approach Analoui came to adopt in his studies of managerial effectiveness in organizations. As demonstrated here, Analoui's studies revealed the complex, multivariate nature of managerial effectiveness and more importantly clearly showed how a group of causal and behavioral influences, independent as categories interact in interdependent ways in affecting managerial effectiveness. As pointed out here these ideas and research results very well reflect the overall foundation of the system theory, especially the interrelationship of elements of a system.

2.7. Human Resources Management: A Brief Overview

In a comprehensive review of the development of the field of human resources management, Boxall (1993) points out:

"the debate [about HRM] has been made difficult by the definitional confusion surrounding the term itself...[the literature can be categorized] into two broad strands of meanings. The first sees HRM as a practitioner movement or new pattern of management strategy in employment relations...The second sees HRM as a broadly based theoretical development concerned with the relationship

between employee relations and strategic management” (p. 645).

As it can be seen from the above passage, Boxall argues that part of the contemporary debate surrounding HRM arises from definitional confusion of HRM. In addressing this unsettled definitional confusion, Boxall goes on dividing the literature into two broad strands of meanings of HRM. Boxall argues that one category in the literature approaches HRM as a field that focuses on those management strategies involved with improving employee commitment to firms' cause and as a result one can argue that in this approach increasing employee commitment to the firm will render unionizing unnecessary, argues Boxall (1993, p. 658). The other strand of meaning associated with HRM in the literature is mainly concerned with theoretical development linking "business disciplines of HRM and strategic management", argues Boxall (1993, p. 658).

As it can be seen from the above brief overview of Boxall's analysis of the literature on HRM and the variety of definitions of HRM, the first class of literature sees HRM as an evolving innovative managerial practice with the overall objective of enhancing employee commitment to the firm. This body of literature, as it will be discussed in more detail further down, is often termed the 'soft' approach to HRM and is often contrasted with the 'hard' approach to HRM, which is more calculative in nature and much in line with classic Taylorism views employees in organizations as just another cog in

the bigger machinery favouring outsourcing and subcontracting as important aspects HR strategies (Druker, et al., 1996, p. 406).

The second stream of meaning Boxall discovers in his overview of the literature on HRM is theoretical in nature, that is, it is concerned with:

"exploring the theoretical links between employee relations policies (of whatever sort) and strategic management in the firm. This body of literature can be loosely organized under the heading of 'strategic human resource management'. Keenoy (1990a: 5) has described it as 'analytically, the most distinctive real thing in the whole confused debate about HRM'." (Boxall, 1993, p. 654).

Thus, Boxall's comprehensive, analytical review of the literature on HRM reveals two important strands of meanings in the broader literature on HRM. Both strands are important and are discussed throughout the following analyses. At this juncture it should be borne in mind that in the broader literature on HRM one can in fact discern three outlooks to HRM. The first class, as noted above in relation to Boxall's discussion, is largely innovative and has evolved in non-unionized firms to improve employee commitment to firm. Scholars (Druker, et al., 1996) tend to refer to this class of HRM as the 'soft' approach and associate it with the *Excellence Literature* and the Harvard School (Beer, et al., 1985; Laurence, Mills and Walton, 1985). In the

literature scholars often raise the 'soft' approach to HRM in contrast to the 'hard' approach to HRM which continue to be in line with the classic calculative approach that sees labour as a cost in its on-going pursue of cost effectiveness. The third outlook to HRM is involved with employee relations policies and strategic management of firm (Guest, 1989). These three outlooks will be discussed in detail throughout the remainder of this section with emphasis on two of these approaches, viz., the so-called 'soft' approach and its underlying *Excellence Literature* as well as HRM as a strategic management that represents firms' strategic objectives. The 'hard' approach will be discussed in brief and in passing in relation to the 'soft' approach only to make some key differences visible.

2.8. Main Difference Between the Soft and the Hard Approach to HRM

In their discussion of approaches to HRM, Druker et al., (1996) point out that both the 'soft' and the 'hard' approach emerged in the US and have played a fundamental role in the overall development of both the theoretical field as well as managerial practices (Drucker, et al., 1996, p. 406). As Drucker, teal point out the 'soft' approach, often associated with the *Excellence Literature*, argues that "people should no longer be treated as a 'cost', but as a company's greatest 'assets' and central sources of competitive advantage" (Druker 1996, et al., p. 405). Fundamental to this approach is the idea that the new competitive global economy has created a setting that requires a *strategic* approach to personal management. This approach draws some of its intellectual nourishment from the broader theoretical framework of strategic HR (the third outlook noted above).

In sharp contrast to the 'soft' approach to HRM, another line of approach often referred to as the 'hard' approach to HRM stresses treating "'human resources' like any other factors of production without according it an a priori central status in achieving competitive advantage" (Drucker, et al., 1996, p. 406). The 'hard' approach to HRM, which largely grew out the US Michigan School, humans are similar to any other business resources and HRM management is largely seen as a strategic arrangement of all resources, including humans, to achieves a firm's objectives.

An important aspect of the 'hard' approach to HRM in relation to the overall context of the discussion is that one of the overriding objectives of the 'hard' approach to HRM is to minimize the cost of labour. As Drucker et al., (1996) have underscored in their discussion of the core principles of the 'hard' approach to HRM and pursue of reducing costs of labour, HRM policies are configured to be as flexible as possible with respect to labour costs. In this approach to HRM flexibility often entails outsoaring and franchising. underscoring this point, Drucker et al., (1996) maintain:

"to this end [viz., reducing cost of labor] labor should be used as flexibly as possible. The word 'people' is often substituted for 'employee' in the 'hard' version of HRM to reflect the fact that relationships may be based on outsourcing, subcontracting and franchising. The 'hard' approach may be seen as

having some kinship with the calculative approach associated historically with scientific management." (Drucker et al., 1996, p. 406).

As it can be seen from Drucker et al.'s analysis here, the 'hard' approach to HRM certainly remind us of Taylor's scientific principle of management in which people are regarded merely as cogs in a larger machinery of factories. It may be recalled from the discussion at the beginning of this chapter on Taylor's scientific management that the system was largely based on a very high level of division of labour which created considerable level of alienation among the workforce. It may be recalled that the whole idea behind the significant level of division of labour that management under Taylorism implemented was to increase output efficiency through segmentation of work. Segmentation of work into highly separate tasks also brought with it the blessing of management as it could easily replace workers. This is exactly what Drucker et al., (1996) have in mind when they argue that today the 'hard' approach to management has established a highly calculative relationship with employees with outsourcing and franchising as some of its most common management practices.

2.9. Human Resources Management: The Soft Approach and Creating Commitment

Having briefly touched upon some of the core ideas of the so-called 'soft' and 'hard' approaches to HRM, Boxall's discussion of the driving forces behind these HRM strategies are important to note as he adopts an excellent historical approach demonstrating the underlying forces that have brought about these approaches to HRM. As it was pointed out above in discussing Boxall's overview of HRM literature, one strand argues for improving condition of employees and hence rendering unionizing unnecessary. This is the so-called 'soft' approach which is also often associated with the *Excellence Literature* and the Harvard School (see e.g., Druker, et al., 1996; Boxall 1993, 1996). In this approach to HRM people are seen as the most important asset of organizations. According to Boxall the meaning of HRM in this approach is fundamentally driven from the idea that HRM should be concerned with putting into place:

“a set of conditions where more interesting work, various participative mechanisms , improved security, demonstratively fair treatment and extensive development opportunities bond workers emotionally to the firm and make it unnecessary for them to organize” (Boxall, 1993, p. 651).

As it can be seen from the above passage, Boxall (1993) analyses show that historically the 'soft' approach to HRM has embraced progressive reforms in order to make labour organization (that is unionization) unnecessary. In the context of his discussion Boxall also mentions the *Human Relations Approach* which was discussed in the beginning of this chapter as a good example of early management strategies that were based on the 'soft' approach (Analoui, 2007).

It may be recalled that by improving conditions of work environment, such as improving lightning and reducing the level of noise, Mayo studies (1933) showed that employee commitment to firms' cause increased. The Human Relations approach (Mayo 1933) certainly demonstrated early on that workers can be better bond emotionally to the organizations through management strategies that show involvement with workers. Thus, some of the early roots of the employee commitment approach (often referred to as the 'soft' approach to HRM) can be traced to the early results of Mayo studies (1933) which demonstrated the central role of emotional bonding to the work environment through management policies.

Today HRM ideas that stress creating emotional bonding of employees to organization through HR policies such as participative practices and improved security can be seen in seminal works of the Harvard School (for example, Beer, et al., 1985) that advocate for a pluralist position often embracing "a non-union form of labor management which works through a positive kind of union substitution rather than through a negative kind of union suppression", argues Boxall (p. 652).

As it can be noted here, one important aspect of Boxall's discussion is contextualizing the commitment ('soft') approach to HRM in relation to management attempt to render unionizing unnecessary. Throughout his discussion of the 'soft' approach to HRM, Boxall certainly makes it clear that the 'soft' approach to HRM evolved as a set of managerial innovations in non-unionized firms with the overall objective of avoiding labour organizing unions (Boxall, 1993, p. 651).

As it can be noted from the above discussion, one important aspect of Boxall's particular approach to analyzing and discussing the various meanings that have historically evolved to designate a host of practices related to HRM certainly is that one of the main driving ideas behind the commitment ('soft') approach has been to implement labour management policies that aim at avoiding open suppression of unions.

Looking at the development of the commitment/soft approach (which as it has been noted above is associated with the Excellence Literature and the Harvard Model), from an historical vantage point is important here as it uncovers the driving forces and motivation behind the development of this approach. David Guest (1987) of the London School of Economics and Political Science is a scholar outside of the US that has focused on the development of the commitment/soft approach to HRM extensively and is most often referred to when it comes to discussion of the commitment/soft approach and the Harvard Model of HRM. Guest work is central to the

overall line of argument in this chapter because of two important aspects in Guest work when it comes to management theories (Analoui, 2007).

Firstly, one of the most important aspects of the analytical lens that Guest has applied to the whole field of HRM is to try and isolate HRM theory from the old personnel management approach. That is, as Boxall (1993) points out in discussing the important contribution of work of Guest to the field of HRM, Guest began his analyses by focusing on the issue of operationalization of HRM (1993, p.652). For Guest if HRM is anything other than the old personnel management, then it has to be operationalized and a set of testable propositions must be laid out to prove the predictive power of HRM as a theory. Two important aspects of Guest's work will be focused on in a separate section in the following.

The second important aspect of Guest's work as it pertains to the remaining discussion in this chapter is his view that the commitment/soft approach, in order to be successful from the very beginning, focused on employee motivation (Guest 1987, p. 505). This aspect of the commitment/soft approach is also central to the context of the present discussion and is discussed in detail in a following section on the role of the factor motivation in the employee commitment/soft approach to HRM. To these two important aspects of Guest work we now turn in the following two sections.

2.10. Operationalizing HRM by Delineating its Distinctiveness

In positioning the importance of the work Guest has conducted in defining HRM and delineating the distinctive aspects of HRM from various theories of personnel management, Boxall underscores that:

“The academic who goes further than any other in doing so is David Guest. Guest (1987) picks up the 'implicit theory' in the Harvard framework and operationalizes HRM as a particular employee relations strategy in which management simultaneously pursues goals of 'high commitment, high quality, flexibility and strategic integration” (Boxall 1992, p. 652).

As it can be seen here Boxall pinpoints the important contribution of Guest to having attempted at operationalizing HRM. A review of work of Guest (especially Guest 1987 and Guest 1990) reveals a detailed analysis of a considerable body of literature in order to (1) find the parameters that set HRM apart from other personnel management approaches and (2) application of the parameters that are distinct from elements in classic theory of personnel management toward building a model of HRM. As it will be seen shortly Guest (1987) attempt in achieving the latter point is implicitly informed by the Harvard Model.

Going back to the original article in which David Guest lays out these ideas, viz., his 1987 article published in the Journal of Management Studies while

Guest had a seat at the London School of Economics, the main argument for a theory of HRM are voiced as follows:

“If human resource management is a useful and distinctive approach, it is important to be able to define it and to distinguish it from traditional personnel management...”(Guest 1987, pp. 505-506).

As it can be seen here, Guest's main argument here is clearly informed by positivism demand for clarity and operationalization of object of a study. Thus, Guest lays out his argument by claiming that if there is anything new in all the literature that has mushroomed surrounding the topic of HRM, then one has to be able to isolate the key element of HRM from the traditional personnel management approach. Guest's analyses and arguments toward this end are central to the overall scope of this chapter and are provided in the following.

In motivating his overall objective behind operationalizing human resources management, Guest maintains that:

“arguably, if human resource management cannot be identified as distinctively different, then it does not merit serious academic analysis. To support any claims of distinctiveness, it is necessary to specify the key features of human resource

management and to answer the question -
'distinctive from what?' (Guest 1987, p. 507).

Guest's major argument is certainly very clear here: in order for HRM to have any merit and deserve serious academic inquiries, it has to be identified and made distinct. A reading of Guest's overall argument in regard to this matter shows that he essentially means that a normative/ideal view of HRM may not differ much from a normative/ideal view of the old personnel management approach. The volume of text books that are published every years with interchangeable titles (viz., human resources management/personnel management) certainly provide evidence to the validity of Guest's position in this regards. Putting aside the normative/ideal views, one can focus on what Guest argues are "stereotypical differences" between each approach. That is, an attempt to isolate and operationalize HRM can begin by examining some of the main stereotypical differences that are obvious in the field as it pertains to what is considered human resources management and what is considered classic personnel management practices.

An overview of elements that stereotypically (Guest 1987, p. 507) characterize HRM and another set of elements that stereotypically characterize classic personnel management are provided in the following (See Table 2.2).

As it can be seen (see table 2.2) from the foregoing tabulation, HRM can be distinguished from classic personnel management approach in a number of

ways. Firstly, one of the most important points that one notices immediately is compliance vs. commitment. As it can be seen from the foregoing tabulation of differences, while the psychological contract under the classic personnel management approach stresses control, under the HRM approach the psychological contract is based on employee commitment. This key difference is addressed at length in a following section that raises the whole issue of employee motivation under the HRM approach to management.

Table 2.2. Characteristics Distinguishing Classic Personal Management from HRM

<i>FEATURES</i>	<i>PERSONNEL MANAGEMENT</i>	<i>HRM</i>	
<i>Time and planning perspective</i>	Short-term Reactive	Long-term proactive strategically integrated	
<i>Psychological contract</i>	Compliance	Commitment	
<i>Employee relations perspective</i>	Pluralist collective low trust	Unitarist high trust	individual
<i>Preferred structures/systems</i>	Bureaucratic/mechanistic centralized formal defined roles	Organic flexible roles	devolved
<i>Roles</i>	Specialist/professional	Largely integrated into line management	
<i>Evaluation criteria</i>	Cost-minimization	Maximum utilization of human Assets	

Source: Adopted from Guest (1987, p.507)

Here it suffices to bear in mind a key feature that distinguishes the soft/commitment HRM approach from classic personnel management approach is the emotional bonds that management establishes between employees and the organization. It is also important to bear in mind that Mayo's (1933) classic studies, as noted in a prior section, very well represent some of seminal research findings demonstrating that emotional bonding can take place between employees and the work environment through management policies. In contemporary literature the terms *control* vs. *commitment* are often used to designate the differences in psychological contract between classic personnel management approach and contemporary views of emotional bounding to work and commitment to the organization under the HRM model (e.g., see Walton, 1987). In his discussion of management strategies that are founded on the control vs., commitment approaches, Richard Walton maintains that:

“The traditional— or control-oriented approach to work-force management took shape during the early part of this century in response to the division of work into small, fixed jobs for which individuals could be held accountable. The actual definition of jobs, as of acceptable standards of performance, rested on "lowest common denominator" assumptions about workers' skill and motivation. To monitor and control effort of this assumed caliber, management organized its own responsibilities into a hierarchy of

specialized roles buttressed by a top-down allocation of authority and by status symbols attached to positions in the hierarchy” (Walton, 1987, p. 78).

The control vs. commitment form the foundation of difference between classic personnel management approach and contemporary soft/commitment approach to HRM. Walton provides a comprehensive discussion of the driving force behind each approach that is central for the overall context of the present discussion and to his overview we will return in the following sections (Walton, 1987). At this point, the main point to bear in mind in relation to Guest’s differentiation of the stereotypical differences between classic personnel management and HRM, as tabulated in Table 2.2, is that in traditional personnel management approach little attention is paid in policy definition to employee voice unless employees are unionized. In cases of a unionized workforce then the management abiding by the classic personnel management engages in control strategies and bargaining the terms of employment with union. In cases of non-unionized workforce management may rely on attitude surveys to better chart the need of employees (Walton, 1987, p. 78).

A second important difference between the two approaches is the evaluation criteria (See Table 2.2). While in classic personnel management cost-minimization is an overriding objective management pursues and hence, as noted in the foregoing labour cost-cutting through sub-contracting, outsourcing and franchising are pursued very meticulously, in the HRM

approach a whole different perspective is applied, viz., maximum utilization of human assets (Guest 1987). Thirdly, the organizational structure underlying each approach is noteworthy. While a highly rigid bureaucratic and centralized structure informs the classic personnel management approach organic flexible roles are often at the foundation of the structure of HRM approach.

The foregoing aimed at differentiating some of the ‘stereotypical’ characteristics that in the literature can be allocated to the classic personnel management and those characteristics that can be attributed to the modern practice of HRM (Analoui, 2002). The fruit of this differentiating is operationalization of HRM in relation to a set of attributes. The central attributes that can be used to operationalizes HRM and hence recognize it as a theory in the literature are as follows (See Table 2.3).

Table 2.3: Key Attributes for Operationalizing HRM

-
- | | |
|--|--|
| 1. Commitment Oriented. | A great deal of emphasis on employee commitment |
| 2. Cultivated Human Assets. | Investing in human assets |
| 3. Unitarist High Trust In Individuals. | This attribute of the HRM is closely related to investing in human assets. |
-

Source: Self

As it can be seen from some of Table 2.3, the key characteristics of HRM are a great deal of emphasis on processes that enhance employee commitment,

cultivating organizations' human assets and a high level of trusts in individual employees. In the literature discussing HRM as a theory and as practical management strategies these three central characteristics are tied to an underlying wave, viz., human motivation and in turn to reward system that are implemented to affect human motivation. In the next section this important aspect of HRM is discussed in relation to motivation and subsequently to organizations reward system.

2.11. Human Resources Management and Motivation

A main distinction was made in the above discussion between the 'hard' and the 'soft' approach to human resources management. In broad stroke the main distinction, as noted above, is one between a control oriented approach to management and one based on enhancing employee commitment. The general line of discussion thusfar in this chapter certainly demonstrates an evolution of managerial thoughts from strategies that focus on control toward attempt to better understanding of underlying processes that increase employee commitment to organization's cause. These points are certainly evident in the move from early control strategies implemented by Taylorism to Mayo's seminal studies that aimed at better understanding of workers view of working conditions. Thus, a birds' eye view of managerial thoughts discussed thus far certainly demonstrate an important evolution in perspective from *compliance to commitment*. As it will be seen in this section understanding of human motivation and implementing this understanding into management model is at the heart of contemporary commitment/soft approach to HRM. Furthermore, as it will be seen in this section, which provides a review of contemporary motivation theories in organizational

behavior, various models of human motivation, play a pivotal role in contemporary management thoughts.

An important aspect of the foregoing discussion focused on crystallizing differences between classic personnel management and contemporary human resources management as well as differences between contemporary 'hard' and 'soft' approaches to HRM. In addition to a number of attributes of each approach presented above, if one was asked to characterize differences between these approaches in relation to one overriding umbrella concept, the answer would be *human motivation*. Certainly what sets classic Taylorism hard-handed managerial approach apart from Mayo's Human Relation approach and a whole host of contemporary managerial approaches is emphasis on understanding employee motivation. Stressing this very point and how movement toward a better understanding of human motivation came to shape development of managerial thought and contemporary HRM theory, Steers and Shapiro (2004) point out:

“The role of group dynamics and the need to view employees as complex beings with multiple motivational influences were recognized as powerful influences on performance. Best noted among these research endeavors are Mayo's”
(2004, pp. 380-381).

As it can be seen here Steers and Shapiro acknowledge that the Human Relations Approach early on set the framework for beginning to seeing

employees as complex beings with a multitude of complex motivational influences on performance. During literature review for this chapter's section on HRM, it was certainly observed that a number of scholars who have reviewed the field of HRM also underscore that the hallmark of move toward the current commitment/'soft' approach to HRM can be traced to Mayo's early 1933 studies. For example, Boxal (1993) who has produced some of the most detailed reviews of the contemporary HRM theory and practice underscores this point (1993, p. 651). As Boxal writes:

“One must admit that, historically, there have been a number of attempts by 'progressive' employers (notably, the welfare and human relations movements) to achieve 'higher trust' relations with the workforce ..but HRM is seen to represent an important evolution in philosophy, objectives and techniques” (Boxal, 1993, p. 651).

As it can be seen here Boxal underscores the contribution of the Human Relation approach for having laid the foundation of moving toward higher trust relations with workers. This certainly laid the foundation for improving workers motivation and dedication to organizations' cause. In their discussion of the importance of motivation in HRM theory, Drucker et al 1996 also point out that in the contemporary HRM approach the “emphasis is on the employee, and [this] stands in the tradition of the human relations school” (Drucker, 1996, p. 406).

Another very important trend one notes in the literature on the place of motivation in the contemporary HRM theory is a number of scholars acknowledging the importance of the seminal work of Douglas McGregor *The Human Side of Enterprise* (1960). A number of scholars underscore that McGregor's Theory X and Theory Y presented in *The Human Side of Enterprise* came to have a pivotal effect on management thoughts and redirected it toward what today is seen in the contemporary HRM. Steers and Shapiro (2004) raise this issue underscoring the connection between the early work of Human Relations approach and McGregor's work on motivation. As Steers and Shapiro (2004) point out:

"McGregor (1960) later built on this [i.e., the Human Relations Approach] in his classic early work, *The Human Side of Enterprise*. By the 1950s, several new models of work motivation emerged, which collectively have been referred to as content theories, since their principal aim was to identify factors associated with motivation" (2004, p. 381).

Some important points emerge from Steers's and Shapiro's (2004) discussion in the above passage. Firstly, is the important connection they make between the content theories of motivation and early works of the Human Relation Approach of the 1930s. Secondly, as it can be seen from the passage, Steers and Shapiro (2004) underscore that it was McGregor's 1960 book the *The Human Side of Enterprise* that directly picked up and

build on the Human Relation Approach. Thirdly, as it has been discussed above, a number of scholars who have presented comprehensive literature reviews of HRM theory and practice directly refer to work McGregor (1960) in their discussion of contemporary commitment/'soft' approach to HRM. Thus to some of the key issues that McGregor raised in his 1960's book we here turn.

In an article entitled *Douglas McGregor's Theory X and Y: Toward a Construct-valid Measure*, Kopelman, et al., maintain;

“Douglas McGregor's landmark book, *The Human Side of Enterprise* (1960), changed the path of management thinking and practice. Questioning some of the fundamental assumptions about human behavior in organizations, he outlined a new role for managers: rather than commanding and controlling subordinates, managers should assist them in reaching their full potential” (2008, p. 255).

The above passage can be considered one of the most representative ways in which one can actually formulate the core aspect of the contemporary commitment/soft approach to HRM. As it can be seen from this passage, Kopelman et al., (2008) argue that McGregor outlined a set of new roles for management, viz., rather than commanding and controlling employees,

McGregor (1960) argues that management should work to assist subordinates reach their full potentials. It may be recalled from information presented in table 2.3 that cultivating human assets, that is, investing in human assets is seen as one of the three most important attributes of HRM. It may also be recalled that this so central of an attribute may be contrasted with the classic personnel management approach, which sees most labour as a cost and hence often aims at cost cutting measures through subcontracting.

McGregor's (1960) theory is often referred to by scholars who discuss HRM theory in relation to Theory X and Theory Y (see for example, Guest, 1987, p. 505). Guest provides a very interesting analysis of the underlying tenets of HRM in relation to McGregor's theory. According to Guest:

“Human resource management appears to lean heavily on theories of commitment and motivation and other ideas derived from the field of organizational behavior. (Indeed it is a subtle blend of some of the 'best' elements of scientific management and human relations. Although superficially similar to McGregor's (1960) Theory Y, the focus on the individual worker, on goals, on careful selection and training are all closer to elements of scientific management associated with

Theory X.) It also places great emphasis on management strategy” (1987, p. 505).

Guests’ analyses are certainly noteworthy here as he argues that HRM is a blend of some of the best of the classic theories. Also take note of Guest arguing that HRM is superficially more close to McGregor’s Theory Y, while as Guest sees it the emphasis HRM theory places on individual worker, goals and careful employee selection and training draw much from McGregor’s Theory X than it first may appear. Table 2.4 presents some of the key elements of McGregor’s Theory X and Theory Y (Kopelman et al., 2008, p. 255).

Table 2.4: McGregor’s Theory X and Theory Y: Managerial Assumptions About Employees

Theory X	Theory Y
1. Employees are perceived by management as lazy	1. Employees are seen as capable of self-direction and self-control
2. Employees are perceived by management as incapable of self-direction and autonomous work	2. Employees are seen as not inherently lazy
3. Employees are not seen as valuable sources for improving organizational effectiveness	3. Employees are seen as assets or organization

Source: Adopted from Kopelman et al., (2008, p. 255)

As it can be seen from table 2.4, McGregor’s Theory X and Theory Y are based on diametrically different managerial assumptions. Managerial

assumptions about employees' capabilities in Theory X leads to the type of command and control that one can note in classic Taylorism, that is, a highly hierarchical structure that rewards compliance and little reward for employee creative thinking. More importantly, as it can be seen from table 4, there is an inherent negative tone in managerial perception of employees' potential. Commenting on the effects of managerial assumption in Theory X, Carson argues that Theory X-style characteristics are "incompatible to the needs of a mature employee: needs very similar to those that Maslow before, and McGregor after, felt necessary for all employees to satisfy" (Carson, 2005, p. 456). Table 2.4 further shows that McGregor's Theory Y, on the other hand, argues that managerial assumption about employees capabilities can create an organizational environment rich in creative thinking. A very important aspect of McGregor's Theory X and Theory Y which at time seems lost in the literature is that it is the *managerial assumptions*, that is, manager's perceptions about employee capacity, rather than employees' actual capabilities that is the deciding factor. This point cannot be stressed enough as there is misunderstanding and misreading of McGregor's Theory X and Theory Y. For example, during the process of literature review it was revealed that some scholars do provide a flawed reading of McGregor's Theory X and Theory Y. For example, Awortwi and Vonde (2007) read McGreagor Theory X as follows:

"The 'traditional theory X' characterises some human beings as inherently lazy, hating work to the extent that they would avoid it if possible; they are

irresponsible, have little ambition and thus prefer direction and seek security above all. Such people must be coerced, directed, controlled or threatened with punishment to get them to work. Given that theory X workers do not take initiatives and prefer to be directed by management, managers remain distant from them and make all the decisions” (2007, p. 262).

As it can be seen here, it is very easy to misread McGregor’s Theory X as it is reads in the above passage. Certainly, the impression that the passage leaves is that McGregor proposes that some human being by nature are lazy and dislike work and hence such people should be coerced by a direct controlling managerial style. In a recent methodological paper, focused at analyzing McGregor’s theory Kopelman teal shed light on some of the misconceptions that continue to prevail in the literature regarding Theory X and Theory Y. One of the most important issues that Kopelman teal (2008) rise is to underscore that:

“At the heart of McGregor’s argument is the notion that manager’s assumptions/attitudes represent, potentially, self-fulfilling prophecies. The manager who believes that people are inherently lazy and untrustworthy will treat employees in manner that reflect these attitudes” (2008, p. 256).

As it can be seen here Kopelman et al., (2008) bring to light the main idea behind McGregor's Theory X. Theory X proposes that it is the *self-fulfilling prophecies* of management that construes of employees as inherently lazy and untrustworthy. Three of the most important implications of managers' assumptions that follow are that:

1. Employee will sense these negative managerial attitudes.
2. The behavioral effects of having sensed managerial attitudes are exhibition of little engagement in the job.
3. Ironically and most importantly managements' views are vindicated by seeing that his/her expectations of low engagement from employees are actually manifested in employee behavioral outcomes. That is, employee showing low dedication to work.

One of the most important aspects of Theory X, as proposed by McGregor, is the *nature of cause and effect* that goes totally unnoticed by the management. The key point that McGregor underscores is that the processes of cause and effect begins with managerial misperceptions/assumptions and then the effects, viz., behaviors manifested by employees, unfolds based on this initial cause. Theory Y emerged based on the same set of principles, namely, that management can actively construe a set of conditions leading to an organic organizational structure enabling employees' full engagement with work and growth within the organization (McGregor 1960). In his book *The Human Side of Enterprise*, McGregor argues:

“The philosophy of management by direction and control....is inadequate to motivate because the human needs on which this approach relies are relatively unimportant motivators of behaviors in our society today. Direction and control are of limited value in motivating people whose important needs are social...” (McGregor 1960, p. 42).

Theory Y hence embraces some of the key elements that today are fundamental to the commitment/soft approach in HRM theory. According to McGregor’s theory Y, people will show dedication and self-control to the degree they are “committed to organizational objectives” (McGregor, 1960, p. 56). Once again the most important aspect of McGregor’s overall theory is that *it* (that is, the cycle of cause-effect) all begins with the assumptive world—cosmologies—of the management. That is, as Kopelman et al. point out, the theory “relates to organic difference in manager’s assumptive world (or cosmologies)” (Kopelman, 2008, p. 257).

In summing up this section, in the literature on HRM, the commitment/‘soft’ approach to HRM is often tied to the seminal work of McGregor as formulated in Theory Y. As demonstrated here, the central driving idea in this theory is that management actively can create a work environment that is conducive to trust and employee dedication to work and ultimately to the cause of the organization. As demonstrated in this section, the power to

influence, does not always work efficiently by the stopwatch and in many cases goes through the heart of the workforce. McGregor certainly demonstrate that an appropriate means of influence many times involve relinquishing authority in favour of trust that works toward inducing internal control and motivation. McGregor's work is considered among the best in theories of motivation. In light of the distinction that today is made between content theories of motivation and process oriented theories of motivation and the ties that are made between organizational reward system and processes oriented theories, such as Adams Equity theory (Adams, 1963), the next section of this chapter will first provide a brief overview of contemporary content theories of motivation and then proceeds by presenting theories that account for the role of reward system on employees commitment and performance.

2.12. Reward System and Motivation

As it will be demonstrated in this section, while during the early 1950s content theories of motivation focused on examining and accounting for how internal forces (i.e., processes underlying motivation) influence people's work performance in organizations, process oriented theories that began to emerge during the 1960s and onward focused on addressing the cognitive processes that affect motivation.

Table 2.5: An Overview of Content Theories of Motivation

Theory	Motivators of workforce
Maslow's Hierarchy of Needs (1954)	According to Maslow employees are motivated by the needs that corresponds to the need stage that they are currently in (physiology drives, need for safety and belonging. In addition to basic needs, Maslow proposed needs for esteem and self-actualization). Key in Maslow's theory is the idea that employees' creative power of self-actualization will be not be much of a propelling factor helping the organization, if e.g., need for security has not been fulfilled.
McClelland Trichotomy Of Needs (1961)	Three types of needs are proposed that propel employee. The need for power, the need for Achievement, the need for affiliation
Herzberg's Two-Factor Theory (Motivator-Hygiene Theory) (1966)	Herzberg provides a theory based on two operating elements, Hygiene and Motivators. Hygiene factors are considered important organizational variables affecting level of job dissatisfaction. Among key hygiene factors are salary level, company policies, benefits, working conditions and relationship with subordinates and supervisors. The other factor is called Motivator and includes organizational factors that affect achievement and satisfaction with the work itself.

Source: Adapted from Maslow (1954), McClelland (1961) and Herzberg (1966)

As it will be demonstrated in this section process oriented theories show that cognitive process, especially, believes about future events can dramatically affect employee motivation.

“By the 1950s, several new models of work motivation emerged, which collectively have been referred to as content theories, since their principal aim was to identify factors associated with motivation” (Steers and Shapiro, 2004, p. 381).

The 1950s is considered the hallmark of content theories of motivation. McGregor’s theory, discussed in the previous section, was developed after Abraham Maslow presented the theory of need hierarchy of motivation (Maslow, 1954). Table 2.5 provides an overview of some of the key features of influential content theories of motivation in order to underscore that content theories’ overall objective is to account for internal drivers of human performance in organization.

As it will be demonstrated in the following, content theories of motivation, esp., Herzberg’s (1966) motivation-hygiene theory, continue to be very influential today because these theories introduced to the field of

organizational management the important effects on work motivation of job design and job enrichment (Herzberg, 1966).

Table 2.5 provides an overview of some the most important content theories of motivation. As it can be seen from Table 2.5, Maslow's hierarchy of needs is considered a classic among content theories of motivation because it essentially models human motivation in relation to some of the most basic human drives, that is, physiology drives, need for safety and belonging. In addition to basic needs, Maslow proposed that the need for esteem and self-actualization stand among some of the important needs that can proper people in organization to work toward higher objectives and self-actualization (Maslow, 1954).

As it can be seen from Table 2.5 McClelland's theory of Trichotomy of needs in another important content theory which argues that workers are driven by three different kinds of needs (McClelland, 1961). Need for achievement, need for power and need for affiliations are the three central driving forces of employee in organization. One of the most important aspects of McClelland's theory is that it can be used as a powerful means for organizational job designs and reward systems. McClelland argues that workers are driven by all the three needs, but in many cases one need exerts a more powerful drive. McClelland theory hence provides a powerful means of job content design and fine-tuning of reward system that specifically target the strongest needs operating in each employee. For example, providing higher level of growth opportunities to an employee who is chiefly driven by the need for

achievement should lead to a significantly higher organizational commitment from that employee.

As it can be seen from Table 2.5 in Herzberg's theory (1966) need relating to the hygiene factor (e.g., salary level, company benefits and policies, working conditions and relationship with subordinates and supervisors) are important for addressing level of job dissatisfaction. Motivator factor, on the other hand, including responsibility and recognition, are modeled in Herzberg's theory as related to individual growth in the organization (Herzberg, 1966).

Herzberg's theory has considerable value for designing reward systems in organizations. While hygiene factors predict level of job dissatisfaction, the degree to which a company provides opportunities for personal growth and self-actualization can be an important reward system operating directly on employee motivation. In her discussion of motivator factor in Herzberg's model, Fisher (2009) maintains:

“Herzberg (1962) argued that people are motivated by self-actualization more often than might be considered in Maslow's hierarchy of needs, and he believed in providing more self-actualization opportunities for workers” (Fisher, 2009, p. 351).

As it can be seen here, Herzberg maintained that people are much more motivated by self-actualization than it is considered in Maslow's theory of

need. As a result, proper reward system can play important role in organization for targeting employees need for self-actualization.

As it can be seen from the above discussion content theories continue to provide a number of recommendations on how to better manage organization through fine-tuning of reward systems and better job enrichment and job design. While content theories of motivation provided valuable information about inherent drivers of employee in organization, *processes oriented theories* of motivation are considered more accurate for designing reward system because these theories focus on how external factors (in contrast to internal factors such as inherent motivational drivers) in a dynamic environment affect behavior across time and events. The importance of process theories of motivation for designing reward system has been underscored by Steers and Shapiro. As they point out:

“Process theories contrast sharply with the earlier content theories, which focused on identifying factors associated with motivation in a relatively static environment. Process theorists view work motivation from a dynamic perspective and look for causal relationships across time and events as they relate to human behavior in the workplace. Central to the process theory genre is a series of cognitive theories of motivation that collectively attempt to understand the thought processes that people go through in

determining how to behave in the workplace” (2004. P. 381).

As it can be seen here the main attributes of process oriented theories is that they account for human behavior in organization in a non-static manner. These theories are all structured on cognitive models which argue that human behavior is a result of a composite of complex decision making that bring into play a number of elements and often unfold in time. Adam's Equity theory (1963) theory represents the main ideas in process theories very well and demonstrate the importance of rewards systems in organization. In a review of equity theory, Pritchard maintains:

“...As Vroom (1964, p. 170) points out, the formal statements of various equity theories differ so little that testable differences cannot be deduced from them in areas where they would make predictions. Second, Adams' presentation is the most explicit and extended of the theories. Third, his theory and the research related to it has received widespread attention among persons concerned with compensation theories and practices” (1969, 176).

As it can be seen here, Pritchard cites Vroom's position with respect to Adams Equity theory noting that Adams's 1963 equity theory represents the most explicit among various equity theories. Adams equity theory is

important in the context of organizational reward systems because it posits that individual engage in social comparison of reward and effort with other persons in organization or “a broad class of individuals who are perceived by the person as relevant for comparison” (Pritchard, 1969, p. 177). In Adams’ theory equity is perceived only when employees in organization perceive that the ratio of outcome to input is equal to this ratio of others. Adams equity theory has considerable bearing on designing reward system that ensure employee do not perceive that their effort goes unrewarded in organizations.

It should be reiterated here that an overview of the theoretical field certainly demonstrates a move from simple, deterministic models of motivation to more complex and dynamic models. Open system theory (Kast and Rosenzwei, 1972) and certainly Analoui's research (1999) very well demonstrate that modelling motivation must include attention to socio-political and economic factors that frame manager motivation. Thus, here much in line with the work of Analoui (1999) the theoretical framework of this thesis is informed by a dynamic model that underscores the importance of contextualizing manager motivation.

2.13. Conclusion

The overall objective of this chapter has been to provide a review of the evolution of management thoughts. The chapter began with the seminal work of Fredrick Taylor. It was demonstrated that Taylor’s major contribution was the introduction of the method of time study, which enabled close observation and analyses of pace of work. Taylor’s contribution far exceed

the method of time studies and expanded well into a systematic method of management based on commitment to science for analysis and measurement of work (rather than rule of thumb). It was further demonstrated that despite having established the basis of the scientific management, Taylor's highly deterministic approach to management has been a focus of considerable criticisms and essentially the human relations approach emerged as a response to lack of sufficient attention to workers perspective in organization.

As it has been demonstrated in this chapter, Mayo's studies were the first of its kind to engage in a systematically qualitative method of data collection digging deep into workers' motivation. As it has been demonstrated throughout the chapter, the human relations approach provided some of the most potent findings that spoke volume against Taylorism management ideas and are still referred to in most discussion of HRM and the commitment/soft approach to HRM.

This chapter then covered the open system theory of management pointing out that in system theory management is regarded as the task of bringing together the disorganized totality of power of men and machine and processes into a harmonious unit that works toward a total system objective. As it was noted in system theory the overall management objective is to in a systematic fashion coordinate and integrate all subsystems toward the common organizational objective. A separate section was allocated to the contingency theory of management and Mintzberg contingency theory of

management was addressed in a section pointing out that central to Mintzberg's theory is the decomposition of management in terms of roles. As demonstrated here, in Mintzberg's model there are ten managerial roles which Mintzberg argues are performed by all managers to a varying degree. The whole idea behind a contingency theory of management is that managers perform these ten roles in a variety of degrees that is contingent upon a number of factors such as size of the organization, the industrial sector of the organization and the managers' level in the organization.

As demonstrated here, while Mintzberg focused on examining managers activities and then framed his findings in relation to the roles of managers, Analoui's major contribution to the field of management studies has been the examination of management effectiveness. Analoui's presentation of eight parameters of managerial effectiveness paved the way for looking at the issue of managerial effectiveness in a new light. Chief among his findings were that effectiveness is a multifaceted phenomenon determined by a complex web of organizational, institutional and social factors. As underscored in this chapter, Analoui demonstrates the predictive power of system theory in a practical way. In accord with the foundation of system theory, especially, the interrelationship of elements of a system, Analoui shows that eight independent parameters affect managerial efficiency interdependently. As demonstrated here, Analoui's research demonstrate a new approach to examining complexity of factors that combine to produce managerial effectiveness in organizations. The chapter then concluded by presenting the main ideas in the HRM theory. The hard and the

soft/employee commitment schools were discussed in details showing that one of the main driving ideas behind the commitment/'soft' approach has been to implement labour management policies that aim at avoiding open suppression of unions. As demonstrate here, a key feature that distinguishes the soft/commitment HRM approach from classic personnel management approach is the emotional bonds that management establishes between employees and the organization. As demonstrate here, the key characteristics of HRM are a great deal of emphasis on processes that enhance employee commitment which entails cultivating organizations' human assets and a high level of trusts in individual employees.

As demonstrated in this chapter, in the literature on HRM, the commitment/'soft' approach to HRM is often tied to the work of McGregor as formulated in Theory Y. As demonstrated here, the central driving idea in this theory is that management actively can create a work environment that is conducive to trust and employee dedication to work and ultimately to the cause of the organization. Finally, this chapter concluded by providing a brief overview of content and process theories of motivation to demonstrate the close ties between reward systems in organization and employee motivation and performance.

CHAPTER THREE IRAN: A HISTORICAL OUTLOOK FROM THE SECOND INDUSTRIAL REVOLUTION (The *Qājār* Rule) TO THE ERA OF THE ISLAMIC REPUBLIC OF IRAN

3.1. Introduction

Iran is located in the most geopolitically important region in the world because of the significant level of energy supply that flows through the Persian Gulf. As Mirhosseini and Sandhu (2010) underscore in their recent analysis of the role the Persian Gulf plays in the global security configuration, “the Persian Gulf has the largest hydrocarbon reserves in the world, which makes this area extremely important for oil production and one of the most important strategic waterways in the world” (Mirhosseini and Sandhu, 2010, p. 121).

As it will be seen in this chapter some of the most significant events in Iran’s modern history, the dramatic turn in Iran’s culture and religion lives in late 1970s, problems of economic development and agriculture can be understood largely as spinoffs of power play around her enormous oil resources and her strategic position in the Persian Gulf. Thus, here at the outset of this chapter about Iran, it is imperative to underscore that it is of *absolute no* value to provide a descriptive account of Iran, her modern history and management without shedding light on the broader forces that have directed and placed her in her current configuration. What are some of these key forces? The objective of this chapter is to chart these forces in relation to three critical phases in Iran’s history. These phases can be divided

into: (1) about the end of the *Qājār* dynasty and the discovery of oil, (2) the Pahlavi era and the Cold War configuration and (3) the 1979 Revolution and the era of the Islamic Republic.

Phase 1, i.e. the end of the *Qājār* period is studied here because it very well reflects the effects of the Industrial Revolution on Iran. Under this section (i.e., section 3.3.) some of the key questions that are addressed are: What were the dimensions of power at play when Europe developed into a modern industrial power expanding outward toward the Orient? What was the political landscape of Iran and how did the discovery of oil influence Iran's development? As it will be demonstrated here, as the Industrial Revolution came to its full bloom, Iran's growing commercial ties, most of which were concessions made by the *Qājār* monarchy, had resulted in a sharp decline of domestic handicrafts killing most of the traditional industries (Gilbar, 1986, p. 77). There is clear evidence that the *Qājār* rule dramatically broke with Iran's traditional power. In fact as Europe was completing the Industrial Revolution and expanded outward, in Iran we have the historically weakest rule, viz. the *Qājār* rule (Paine and Schoenberger, 1975, p. 3). At this critical historical juncture in Iran, with Iran's weakest monarchy in power, the British discovered oil in 1908 in Abadan totally affecting the trajectory of her development into the modern era (Paine and Schoenberger, 1975, p. 8).

Phase 2, i.e., under the Pahlavi rule Iran entered the path of modernization and westernization very rapidly. As it will be demonstrated in this section (i.e., section 3.4) there is significant evidence showing that although Iran's

GDP grew dramatically from 1963 to 1978, with an astonishing rate of 9.3 percent and the per capita income rising from \$176 to \$2.160 (Pesaran 1982, p. 504), severe anomalies emerged in Iran's economy due to the industrial strategy International Monetary Fund (IMF) dictated to the Pahlavi government (Pesaran, 1982, p. 507). One of the main points that will be demonstrated in this section, using aggregate data from Iran's Central Bank, is that IMF's growth strategy yielded both a highly skewed income distribution and a dramatic expansion of the oil sector while the critical agricultural sector continued to suffer year after year (Pesaran, 1982).

In addition to discussing major trends in Iran's economic development, one of the most significant issues that need careful analysis under the Pahlavi era is the root of *Shi'i Ulama* discontent (Moaddel, 1986). A careful study of the source of *Shi'i Ulama*'s discontent during the Pahlavi's era is a *must* because it is very easy to read the covering of *Shi'i Ulama*'s discontent as Islamic fundamentalism! Thus, in uncovering this misreading of Iran's history, some of the questions that will be addressed under section 3.4. are: What are the fractions of *Shi'i Ulama* in Iran? In whose interests do the fractions of *Shi'i Ulama* represent their discontent as Iran embraced IMF's dictated industrial strategy? As it will be demonstrated, in Iran Nationalist *Shi'i Ulama* stand for ideologies that worked to protect the autonomy of Iran's economy and her domestic production (Moaddel, 1986, pp. 533-545). As it will be demonstrated under the Pahlavi rule the Nationalist *Shi'i Ulama* are those representing the interests of Iran's classic domestic mechanists, that is, traditional shop owners, woodworkers, shoemaking factories and artisans.

These are the voices that were suffocated by the US gendarme in Iran—the Pahlavi monarchy and Shah’s notorious SAVAK (Pesaran, 1982, p. 505). As Pesaran underscores, under this period Iran was considered politically stable and open for business! But “political stability during this period was brought about not through increased participation, reconciliation, and political tolerance but by the harassment, imprisonment, and torture” (Pesaran, 1982, p. 505).

Phase 3, the 1979 Revolution is ignited against the above background, i.e. growing social disparities, an IMF industrial strategy that has retarded Iran’s agricultural development and a significant discontent among Iran’s domestic merchants that finds its ideological support among fractions of Iran’s Nationalist *Shi’i Ulama*. Under this section, discussion focuses firstly (i.e., under section 3.5.1) on the new Iranian constitution, then under section 3.5.2 the enormous economic challenges Iran has faced, especially in light of an almost decade long war with Iraq are discussed. Finally, under section 3.5.3., the agricultural and dairy industries are raised addressing some of the challenges that these sectors of the economy continue to face.

One of the main questions that is addressed under section 3.5.1. is how the new managers of Iran reconciled the ideas of a republic with Islamic thoughts in a national constitution. As it will be demonstrated for centuries the dominant Shi’ite theology has declared all temporal authorities illegitimate. So how did managers of Iran form a constitution, harmonizing all these challenges? As it will be demonstrated the forming of the Iranian constitution

post 1979 Revolution provide a fascinating reading as it has affected the foundation of business, politics and society in Iran.

Finally, under section 3.5.2., the discussion moves into presenting the economic development of Iran under the Islamic Republic with special focus paid to the challenges that Iran's agriculture and dairy industry have faced (section 3.5.3).

Before proceeding to these sections, here it is necessary to introduce to the reader a brief overview of Iran, its geographical location, size of her population, climate as well as agricultural and dairy industry.

3.2. Iran: A Brief Overview

Geographically Iran (see Map 3.1) is located in the Middle East bordering Armenia, Azerbaijan, Kazakhstan and Turkmenistan to the north. Iran borders Afghanistan and Pakistan to its east. The Persian Gulf, the most strategically important waterway in the world, is in the south of Iran. Iran and Turkey border Iran to the west.

Map 3.1: Map of Iran



Source: Nation Online Project

In terms of land mass Iran covers 1,648,196 square kilometer (Invest in Iran, 2014). Iran's land boundaries are 4,137 km, its sea boundaries are 2,700 km (including the Caspian Sea), and her river boundaries are 1,918 km (Invest in Iran, 2014). Iran's climate is mostly arid to semi-arid. In 2012 Iran had a population of 76.03, demonstrating a population growth of 1.3% (Invest in Iran, 2014). 99.5 percent of Iranian are Muslim with the remaining composing a mix of classic Zoroastrian, Christian and Jewish (Invest in Iran, 2014).

The agriculture industry in Iran contributes to 10 percent of Iran total GDP and provides for 80 percent of domestically consumed foodstuffs (Invest in Iran, 2014). The dairy Industry in Iran is part of the broader agricultural industry in Iran. Under section 3.5.3. of this chapter Iran's dairy industry is discussed in detail. Here it is sufficient to underscore that development of the dairy industry in Iran has been affected by many of the structural problems that the country has faced since the 1979 revolution. Despite these structural problems Iran's dairy industry has developed significantly under the Islamic Republic era mainly due to large scale efforts by the Islamic Republic to improve the agricultural sector of Iran. Today a persisting problem in the dairy production in Iran is lack of access of the large number of small dairy farmers to the market for milk because of simple transportation problems (Bakhshoodeh & Shahnushi 2011). This has resulted in the growth of many middlemen collectors of milk from small farmers with the effect of adding to the price of dairy productions (Bakhshoodeh & Shahnushi 2011).

3.3. Phase I: Economic And Business Development Toward The End Of The Qājār Rule And The Critical Turning Point, Viz., The Discovery Of Oil In 1908

Industrial Revolution began in England around 1780's and by 1820-1840 had exerted profound effects across the globe (Hobsbawm, 1975). In Iran the Qājār rule (1794–1925) falls very closely into the phase of the Industrial Revolution and can be considered a period that totally broke with Iran's historical global power and position (Paine and Schoenberger, 1975). In

substantiating this historical break the *Qājār* rule made with Iran's traditional power, Paine and Schoenberger maintain that despite the fact the *Qājār* made a number of efforts toward modernization, *Qājār* weakened Iran dramatically "largely because of the weight of tradition and the intrinsic weakness of the *Qājār* themselves" (Paine and Schoenberger, 1975, p. 3).

According to Paine and Schoenberger (1975) despite some *Qājār* kings' high level of education and knowledge of the working of the western system, they faced major dilemmas because their rules were based on "foreign subsidies and concessions, and thus any attempts at 'modernization' became associated with the growth of foreign influence, and were violently resented by traditional Muslim elements" (Paine and Schoenberger, 1975, p. 3).

Economic historians who have analyzed business development in Iran during this critical period, which to reiterate falls very well within the period of the Industrial Revolution, demonstrate several key points about the development of Iran's business sector. In "*An Evaluation of Reform and Development of the State in the Early Qājār Period*" Vanessa Martin (1996) argues that modernization of the state and the business sector in the *Qājār* rule can be seen during the rule of *Fath Ali Shah* (1796-1834) As Martin write:

"There are indications that in the early years of his reign in particular *Fath Ali Shah* (1796 -1834) looked favorably upon a policy of modernization. He had inherited from his predecessor, Aqa

Muhammad Khan, a minimal administration
...The state which *Fath Ali Shah* inherited was
thus of the most traditional and minimal nature. Its
capital, Tehran, had about 30,000 inhabitants in
a general population of approximately 6 million”
(Martin, 1996, p. 1).

Martin provides us with some valuable information about the situation of Iran during the time Europe had well entered the Industrial Revolution. We learn that Teheran had approximately 30,000 population and the rest of Iran about 6 million. This is an interesting observation as about the same period London population was closing to about 2 million (Population Census 1841). According to Martin (1998), European travelers’ report about the administrative apparatus of the State in Iran in 1811 demonstrates a very rudimentary system of governance. The Iran of *Qājār* rule did not have any central army and as Martin points out, security was largely a matter of protection of the capital and those closes to the monarchy.

According to Martin some of the most noteworthy aspects of modernization of the state and the foundation of the business sector that *Fath Ali Shah* established can be seen in improvement of the army and appoints of “a council of four viziers, with each allotted a specific task” (Martin, 1998, p. 3). The appointment of a vizier (a minster) for the finance is central in modernization Iran’s business sector during the *Qājār* rule.

Writing in a more detailed paper on the effects on the Industrial Revolution on Iran, Gad Gilbar argues that:

“The growing commercial links of Iran with foreign markets had a profound effect on the structure of the economy. The increasing industrial imports from European markets resulted in a sharp decline in the country's major handicrafts. Not much was left of the traditional industries at the beginning of the twentieth century” (Gilbar, 1986, p. 77).

Gilbar analysis shows that with increasing foreign trade ties post Industrial Revolution, Iran's domestic production decreased significantly. Gilbar concludes his detailed analysis of the economic and business development of Iran during the *Qājār* by underscoring that “to conclude, the economic penetration of the West into Iran in the nineteenth century was to a large extent an asymmetrical development” (Gilbar, 1986, p. 89).

Writing on the history of Iran, Katouzian draws to our attention many of the concessions Iran had made under the *Qājār* rule that have dramatically affected Iran's development into the modern era. According to Katouzian:

“If there is one point on which almost every shade of Iranian political opinion-- pro-Qajar, pro-Pahlavi, conservative, liberal, democrat, Marxist-

Leninist, and Islamist--has agreed, it is the view that the 1919 agreement had been designed by the British government to turn Iran into a British protectorate” (Katouzian, 1998, p. 5).

A reading of Katouzian’s detailed study of the background to and effect of the failed 1919 Anglo-Iranian Agreement provides a wealth of information about the forces that have been at play and have come to impact Iran’s in its *totally*, i.e., politically, economically, culturally and religiously. The failed 1919 Anglo-Iranian Agreement demonstrates the historical roots of the power play among the major powers in shaping the faith of a smaller nation with an immense supply of natural resources that by now would be expected to provide a quality of life to its citizens in pair with any modern western European democracy.

Katouzian’s study of the failed 1919 Anglo-Iranian Agreement is important to pay heed to as it underscores one of the most significant turning point in Iran’s modern history. The main background to the failed 1919 Anglo-Iranian Agreement that has to be borne in mind is the *May 26, 1908* discovery of oil by the British in Iran. Writing on this historical event that has come to shape Iran’s modern trajectory Paine and Schoenberger cite Elwell-Sutton:

“On May 26, 1908, oil came in at a depth of 1,180 ft., a gusher that shot fifty feet or more above the top of the rig. So began the industry that was to

see the Royal Navy through two world wars, and cause Persia more trouble than all the political maneuverings of the Great Powers put together (Elwell-Sutton, 1955, pp. 18-20, cf. Paine and Schoenberger" (1975, p. 8).

In reading and understanding Iran's history, this is the central event that must be borne in mind. Turning to the immediate effects of the 1908 discovery of oil in Iran we come face to face with the 1918 British government support of the *Vosug al-Dawleh* to form a cabinet in Iran.

In August 1919 *Vosug al-Dawleh* and *Lord Curzon* with active support of the British Foreign Office had drafted an agreement in all secrecy that entailed appointment of British advisor to run the Iranian treasury and the military. The agreement also entailed organizing a unified force across the country (Katouzian, 1998, p. 6). Although much of the backbone of the agreement had been formed by *Lord Curzon* and the Forging Office, it would come into effect only after it had been ratified by the Iranian Majlis (Katouzian, 1998, p. 6). As Katouzian underscores in order to ensure the free sailing of the agreement through the Iranian Majlis, considerable money had been spend to oil the human machinery of the Majlis and this became public in 1920 immediately after fall of the *Vosug al-Dawleh* government and hence the failing of the 1919 Anglo-Iranian Agreement (Katouzian, 1998, p.7). What were the practical impacts of the failed 1919 Anglo-Iranian Agreement?

According to Katouzian, one of the most important factors is that the Agreement:

“aroused the anger and suspicion of the other great powers into the belief that Iran had lost her independence, and henceforth would be ruled by the combined dictatorship of Britain’s Iranian agents and her technical advisers” (1998, p. 7).

Katouzian provides a wealth of information detailing the reactions of the Iranian public and the major powers to the 1919 agreement. Putting aside the reactions of the Western Allies to the agreement, the most important response which since then has dramatically affected Iran’s security configuration came from the Bolshevik Russia. Keeping in mind the scope of the anti-Tsar Revolution in Russia which brought to power the Bolsheviks in 1917, the response from Bolsheviks to the 1919 Anglo-Iranian Agreement was outmost suspiciousness followed by the Bolsheviks troops entering the Caspian port of Enzeli (Katouzian, 1998, p. 24).

As Katouzian demonstrates while the other major powers engaged in their usual verbal demonstration of their disapproval of what an allay had been up to, the Bolsheviks actually entered Iran, that is, the:

“Agreement culminated in the Bolshevik landing of May 1920 at Enzeli which led to the declaration

of the Soviet Socialist Republic of Iran in Rasht, with the express objective of marching to Tehran and toppling the Qajar dynasty” (Katouzian, 1998, p. 24).

Katouzian provides a detailed and close reading of the British archives and correspondences between central figures involved in drafting of the 1919 Anglo-Iranian Agreement and events leading to the Bolsheviks entering the Caspian port of Enzile and declaring Iran’s major northern city of Rasht a Soviet Socialist Republic. A reading of Katouzian’s text leaves no doubt about how the Bolsheviks would have interpreted the intention behind the British Agreement with Iran, especially in light of the whole objective propelling the Bolsheviks Revolution. Thus, in practical terms what we have as a response to the 1919 Anglo-Iranian Agreement is the Bolsheviks entering Iran as an occupying force and declaring some major northern cities of Iran a part of the greater Soviet Socialist Republic.

It is precisely this Bolsheviks response, tangible in the international arena and in the minds and hearts of Iranians that came to shape Iran’s modern security configuration, especially her posturing during the wider Cold War era.

3.4. Phase II: The Pahlavi Era and The Cold War Configuration

Phase 2 is the Pahlavi era and the Cold War configuration. In light of her strategic position in the region, Iran was considered a central element in the Cold War configuration and was put on the path to 'modernization'. The nature of this modernization has been an important object of study of scholars of Iran's economic and social development (many of these scholars are referred to throughout this chapter). Hashmat Pesaran (1982), a highly notable scholars of Iran's economic history who was head of the Economic Research Department of the Central Bank of Iran between 1974-1976 and served as the Under Secretary of the Ministry of Education in Iran between 1976 to 1978 has provided one of the best analysis of Iran's economic history pre-post 1979 Revolution (for Pesaran's detailed biography in this regards see the Faculty of Economics, Cambridge University).

In his detailed analysis of the IMF import substitution industrial strategy, Hashmat Pesaran (1982) demonstrates that in the early 1960s IMF prescribed an industrial strategy for Iran which adhered to Rostow's theory of stages of economic growth (Pesaran, 1982, p. 507). The main idea in this plan is the focus on maximizing aggregate output. The outcomes, however, as Pesaran shows, were extremely negative in numerous ways. That is:

“the whole emphasize of economic policy was upon achieving maximum growth of aggregate output whereas very little attention was paid to the distributional and

structural implications of such a policy. This growth strategy was based on the bogus assumption that the benefits of high rates of growth would somehow automatically "trickle down" from the rich to the low income groups, and on the erroneous belief that the magnitude of the Gross National Product, particularly in a major oil-exporting country like Iran, can be regarded as a satisfactory yardstick for the economy's development and progress" (Pesaran, 1982, p. 507).

Some of the sources Pesaran uses for analyzing the effects of IMF policy on Iran in regard to the above assertion that the benefits did *not* trickle down are *Household Expenditure Surveys* carried out by the Statistical Center of Iran in urban and rural areas as well the *Central Bank of Iran's Household Expenditure Survey* (Pesaran 1982, p. 507).

Pesaran shows that "while the expenditure share of the top 20 percent of households in urban and rural areas rose from 50 percent in 1969 to over 54 percent in 1973, the expenditure share of the bottom 40 percent of households declined from 17 percent to 13 percent over the same period" (Pesaran, 1982, p. 507).

In addition to the worsening of the economic condition of the bottom 40 percent of the households in Iran between 1969 to 1973, analysis of data from Central Bank of Iran's Household Expenditure Surveys show that "the

expenditure share of the top 20 percent of urban households rose from 52 percent in 1959-60 to just over 56 percent in 1974-75, and the expenditure share of the bottom 40 percent of households declined from 14 percent to about 11 percent over the 1959-1974 period” (Pesaran, 1982, p. 507). Thus, IMF policy skewed the balance of earning significantly reducing the spending power of the bottom 40 percent.

The spinoff effects of these IMF dictated industrial strategy on Iran’s agricultural sector were dramatic under the Pahlavi era. Using three sets of Iran’s *Five Year Plans*, that is, from the Third Plan (1963-1968), the Fourth Plan (1968-1973), and the Fifth plan (1973-1978), Pesaran provides an overview of the impacts of the IMF industrial strategy on Iran. An overview of Pesaran’s analysis is provided in table 3.1.

Table 3.1: Iran’s Five Years Plans
Average annual Growth Targets and Achievements (in percent)

<u>Sector</u>	<u>Third</u> <u>Plan</u> <u>1963-</u> <u>1968</u>	<u>Fourth</u> <u>Plan</u> <u>1968-</u> <u>1973</u>	<u>Fifth</u> <u>Plan</u> <u>1973-</u> <u>1978</u>
Agriculture	(-) 4.6	(4.4) 3.9	(7.0) 4.6
Domestic oil	(5.0) 13.6	(15.3) 15.2	(n.a) - 0.7
Industries and Mines	(-) 13.7	(12.4) 13	(18.0)
Gross Domestic			15.5

Products	(6.0) 9.7	(10) 11.4	(n.a) 6.9
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Source: Hashmat Pesaran 1982, p. 505

One of the striking feature of Iran's economy as depicted in table 3.1 is the rapid expansion of the oil sector. As it can be seen from table 3.1 annual growth of Iran's oil sector surpassed the expected figures by a significant level in the third and fourth plans. Pesaran's (1982) provides no expected figures for the 1973-1978 period and as it can be seen from table 3.1, actual oil sector decreased with 0.7 percent just before the revolution. The most important issues that emerge from Pesaran's analysis, is that while the oil sector expanded dramatically, indeed with figures that were much higher than expected, the agricultural sector did not grow at all. In this regards Pesaran underscores that Iran agriculture sector which stood for some 28 percent of total GDP in 1962/1963 declined rapidly over the three sets of five year plans and just before the 1978 Revolution composed a mere 9.3 percent of Iran's total GDP" (Pesaran, 1982 p. 505). What are the reasons for this state of affairs in Iran's economy during the Pahlavi era, the US gendarme in the region? Hashmat Pesaran's who actually headed the Economic Research Department of the Central Bank of Iran between 1974-1976 argues that:

"This sustained, though unbalanced, growth performance was achieved by following the import-substitution industrialization strategy

backed by rising oil revenues and a stable political environment. Political stability during this period was brought about not through increased participation, reconciliation, and political tolerance but by the harassment, imprisonment, and torture of political opponents of the regime" (Pesaran, 1982, p. 505).

Thus, the core idea here is that Iran's economic failure under the Pahlavi era was a direct result of IMF imposed industrial strategy. This industrial strategy, as demonstrated here, using aggregate data from Iran's Central Bank depict a growth strategy that yielded both a highly skewed income distribution and a dramatic expansion of the oil sector while the critical agricultural sector continued to suffer. Underscoring this point, Pesaran argues that the "ample source of foreign exchange reserves from oil tends to reduce the urgency of promoting and expanding nonoil export industries" (1982, p, 510), which is exactly what happened in Iran with one of the foundations of her economy, viz., the agricultural sector failing.

Having provided an overview of Iran's economic development under the Pahlavi era, an issue that deserves attention is the source of *Shi'i Ulama* discontent during the Pahlavi's era. This topic is of immense value to a careful reading of the origin of Iran's nationalist movement, the dynamic of the 1979 Revolution, and Iran's development since the Revolution.

It is very significant to bear in mind that the 1979 revolution which turned into the Iranian 1979 Islamic Revolution is considered to have some roots in the *Shi'i Ulama* discontent (Moaddel, 1986). The key question here is why the Pahlavi rule became such a treat to *Shi'i Ulama* in Iran? The answer is to be found in the highly dependent integration Iran fell into during the Cold War era.

Writing on the historical roots of the complex relationship between the state and ulama in Iran, Mansoor Moaddel in *The Shi'i Ulama and the State in Iran* (1986) provides some very important analyses helping us understand the intersection of Iran's economy with the working of the ideology of *Shi'i Ulama* in Iran.

In order to fully appreciate the comprehensive work of Mansoor Moaddel in dissecting the role of the *Shi'i Ulama* in Iran, one has to first examine the variety of understandings that are associated with modernization. Modernization and *Ulama* ideology are often presented in a mixed bag where *Ulama ideology* is easily *misread* as Islamic fundamentalism. One noteworthy version of this idea can be found in the circle of 'scholars' advisor to the Bush Administration. The noteworthy Bernard Lewis "who coined the term 'clash of civilizations' in a 1990 Atlantic article" (Dunn, 2006, p.3) stands at the forefront of US planners approach to the current world order. Underscoring this point, Dunn writes:

“The work of the academic Bernard Lewis is important in this context since, while not a member of the government, he has had significant influence on key members of the Bush administration: “Lewis has been especially sought after in Washington since September 11th. Karl Rove invited him to speak at the White House. Richard Perle and Dick Cheney are among his admirers ... And his best selling book ‘What Went Wrong?,’ about the decline of Muslim civilization, is regarded in some circles as a kind of handbook in the war against Islamist terrorism” (Dunn, 2006, p.3).

Thus, here it suffice to note that with the fall of the Cold War economy, ideas we find in Bernard Lewis’s ‘clash of civilization’ have been front and center in the US policy making circles. A factual ordering of the working of the ideology of *Shi’i Ulama* in Iran is hence of outmost urgency and the variety of understandings associated with modernization here come into play.

A full grasp of Iran’s path through modernization demonstrates a certain taste—a version of modernization—Iran was forced to follow. In examining this ‘*a certain taste of modernizing*’, Pesaran’s (1982) analyses of Iran’s economic development certainly demonstrates that IMF’s industrial strategy did not benefit Iran. Thus, one can conclude that the version of the economic modernization, dictated by IMF, was not to the benefit of Iran.

Comprehensive economic data analyzed by an expert stand at the basis of this *stated fact* (Hashmat Pesaran is Emeritus Professor of Economics at the University of Cambridge and is the Director of the Center for Applied Financial Economics, University of Cambridge).

In addition to pure economic data, there are other data that can be used to examine how modernization was implemented in Iran. In reading Iran's economic and social history, militarization of Iran stands out as the *key* to fully grasping the variety of understandings that is associated with modernization and *the trap of modernization* Iran fell into. In reflecting upon the trap of modernization Iran fell into, Soltani's and Amiri's discussion of the Nixon's policies are noteworthy. As Soltani and Amiri maintain:

“United States supported Mohammad Reza Pahlavi as king of Iran from 1941 until 1979. Iran was a very strategic country for United States against spread of communism on one hand, and was vital for oil energy transferring to Western block on the other hand. In 1970s, Richard Nixon (1969-1974) helped Iran to be regional gendarme” (Soltani and Amiri 2010, p. 200).

Two issues stand at the heart of this passage, viz., Iran in the Cold War order and the Nixon doctrine of 1969-1974.

Firstly, let us step back and examine one of central factors that laid the foundation of Iran falling into the Cold War configuration. The *actual effect* of the failed 1919 Anglo-Iranian Agreement is central to having pushed Iran into the Cold War configuration. The *actual effect* of the 1919 Anglo-Iranian Agreement was Bolshevik marching into Iran and declaring Gilan with Rasht as its center a Soviet Socialist Republic (Katouzian, 1998, p. 24).

Although during the Pahlavi era the Soviet had retreated from Gilan and Rasht, the Bolshevik invasion of Iran had worked its *calculated magic*! The Bolsheviks response tangible in the international arena and in the minds and hearts of Iranians came to shape Iran's modern security configuration, especially her posturing during the wider Cold War era. In this configuration, the US led Western command sat Iran on a 'modernization' plan. While in the West modernization refers to the wave of social, political and economic reforms, modernization for Iran essentially meant creating a massive industrial military complex--a military fortress to the southern border of the Soviet in order to protect US and its allies interests in the Persian Gulf.

Secondly, here it is also very important to take note of US policies implemented in Iran during the 1970s. In over viewing US policies, the Nixon doctrine (1969-1974) often stands out among scholars. Some scholars, rather than using the term *militarization* of Iran, refer to the Nixon doctrine of 1969-1974 which essentially aimed at making Shah the "Gendarme of the region " (see e.g., Soltani and Amiri 2010, p. 200; Mirhosseini, Sandhu, 2010, p. 132).

In this context a 1976 *US Staff report to the Subcommittee on Foreign Assistance of the Senate Foreign Relations Committee* (1976) is of significant value as it demonstrates the inner working of US militarization of Iran with the most sophisticated military technologies at the time as well as the immediate and long term implications of this technology in the hands of Iranian. In highlighting two key aspects of this report first we should take note of Iran having been exempted from any arms sale review process in the US State and Defence Department. According to the report:

“1972 decision by President Nixon to sell Iran the F-14 and/or the F-15 aircraft and, in general, to let Iran buy anything it wanted, effectively exempted Iran from arms sales review processes in the State and Defense Departments” (Staff report to the Subcommittee on Foreign Assistance of the Senate Foreign Relations Committee, 1976, p. 15).

As it is clear here, sales of most sophisticated arms to Iran did not follow any review process and in fact “on occasion, the services fiercely competed with each other for sales to Iran, e.g. the Air Force and Navy to sell the F/15 and F/14 respectively” (Staff report to the Subcommittee on Foreign Assistance of the Senate Foreign Relations Committee, 1976, p. 15) .

The arming of Shah with the most advanced technologies *demonstrates many parallels* to the overall industrial strategy Iran was forced to follow under the Pahlavi era, viz. rapid industrialization with no domestically anchoring of management system at all. Underscoring this point Pesaran points out:

“The liberal policy toward the importation of capital and intermediate products, regarded as essential to a successful implementation of the import- substituting strategy, distorts the choice of products and techniques in favor of the production of luxury consumer goods and capital intensive industries and thus increases the country's dependence upon sophisticated foreign technology and know-how” (1982, p. 509).

Keeping this core dynamic of Iran's industrial strategy during the Pahlavi era in mind we find exactly the same parallels in the US military policy in Iran, viz.

“Most informed observers feel that Iran will not be able to absorb and operate within the next five to ten years a large proportion of the sophisticated military systems purchased from the U.S. unless increasing numbers of American personnel go to Iran in a support capacity. This support, alone, may not be sufficient to guarantee

success for the Iranian program” (Staff report to the Subcommittee on Foreign Assistance of the Senate Foreign Relations Committee, 1976, p. 15).

Thus, having shed light on the effects of US policies that are often subsumed under the term ‘modernization of Iran’, we can now move on to a reading of Manssour Moaddel’s (1986) very detailed analysis of *Shi’i Ulama*’s relation to the State in Iran.

Manssour Moaddel’s (1986) detailed analysis of the historical relation of the *Shi’i Ulama* with Iran’s domestic merchants provides a superb discussion of the role of *Shi’i Ulama* in Iran’s economy and also demonstrates the division between nationalist *Shi’i Ulama* and some *Ulama* who were bribed by foreign powers (Moaddel, 1986 pp. 530-531). This division shows the complex nature of the working of the ideological support of the *Shi’i Ulama* in Iran’s economy. For example, one of the most historically important effects of the ideological support of the *Shi’i Ulama* can be seen in “the most celebrated events in late nineteenth-century Iran, the tobacco movement [which] was sparked by the Shah granting a concession to Major G. F. Talbot in March 1890 for a full monopoly over the production, sale, and export of tobacco for fifty year” (Moaddel, 1986, p. 529). While “the most prominent religious leader of the time, Shirazi, was alleged to have announced a fatwa, prohibiting smoking....Ayatullah Behbahani was bribed, and allied himself with Amin us-Sultan” (Moaddel, 1986, p. 529).

Throughout his analysis Modaddel (1986) shows a close relation between Nationalist *Shi'i Ulama* and ideologies that worked to protect the autonomy of Iran's economy and her domestic production. Furthermore, at the core of Modaddel's analysis is the demonstration of the need to fine comb *Shi'i Ulama's* ideology in Iran as the shades are complex.

Under Pahlavi rule the nationalist *Shi'i Ulama* are those representing the interests of Iran's classic domestic mechanists, that is, traditional shop owners, woodworkers, shoemaking factories and artisans.

One of the most fascinating aspect of the comprehensive work Manssori Moaddel has put into his article can be seen in a tabulation of social class of a sample of participants in the well known uprising of June 1963. Moaddel shows:

“among the participants in the uprising, virtually all the classes, to different degrees, were under-represented, except for the traditional petty bourgeoisie who were over-represented, supporting the claim that the radical faction of the ulama drew its support predominantly among the members of this class” (Moaddel, 1986, pp. 543-544)

Citing Jazani's discussion (1973) of how the interests of this segment of the Iranian society came under attack under the Pahlavi rule, Moaddel demonstrates that for Iran modernization essentially entailed loss of domestic production. Citing Jazani, Moaddel writes:

“traders who, with their system of workshop production, were engaged in making consumer goods, came face to face with rivals that began to flood the market with consumer goods... The rapid increase in imports during the previous two decades, coupled with the subsequent establishment of dependent industries and their rapid growth, forced these sections under pressure to retreat from their position and take up those trades that had not as yet been threatened. At every stage of retreat a considerable number of people lost their source of livelihood and joined the reserve army of labour. With the import of Pepsi Cola factory, all lemonade workshops disappeared; with the growth of factories engaged in the production of household goods, the furniture and other workshops closed down; with the setting up of shoemaking factories, shoemakers went out of business” (cf. Jazani, 1973, Moaddel, 1982, p. 540).

Modaddel's analysis demonstrates that under the Pahlavi rule nationalist *Shi'i Ulama* ideology supported the interests of domestic merchants whose livelihood were lost as the Pahlavi regime's opened the floodgate to the post war western production apparatus. Modaddel's analysis also demonstrates the problems *Shi'i Ulama* faced post 1979 Islamic Revolution when it came to maintaining and reproducing their power and running a capitalist society left by the Pahlavi dynasty. These issues are addressed in the next section, viz., Iran under the Islamic Republic era.

3.5.1. The 1979 Revolution: Iran under an Islamic Constitution

The years immediately after the 1979 Revolution were turbulent years. Soon after the Revolution in September 1980 Saddam Hussein's military in Iraq attacked Iran leading to "a devastating eight-year war between the two countries that claimed over 800,000 lives on both sides" (Namazie and Frame, 2007, p. 159). Heading the Western Command the US officially pursued a so-called dual containment doctrine, while US intelligence apparatus supplied Saddam's military with both sophisticated intelligence about troop movement and military equipment during the war (Hubbell, 1988).

Thus, the event of the Revolution and Saddam's attack on Iran laid the foundation of more than a decade of turbulence which Iran has tried to address since the 1990s. The challenges that Iran has faced along the way have been immense. As demonstrated in the previous section in Iran

managers of the country inherited a highly dependent economy and an administrative apparatus that had been forced to import most of its technology, technical know-hows and management system.

To implement the Revolution, managers of the country begun drafting an Islamic Constitution which has saturated all aspects of Iran's politics, culture and economy. Writing on the history of the development of the Islamic Constitutions in post-revolutionary Iran, Mohsen Milani demonstrates the immense challenges that Iran faced. One important aspect of the challenges immediately after the Revolution was to reconcile the ideas of a republic and Islamic in a national constitution. As Milani writes:

“In designing a system that was simultaneously Islamic and republican, the fundamentalists faced major dilemmas, some of which they failed to resolve. They had no practical experience in government, which made it problematic to create a new system. Theologically, it was hard to legitimize the Islamic Republic and the *veldyat-e faqih*: for centuries, the dominant Shi'ite thought had declared all temporal authorities illegitimate. Understandably, many orthodox 'ulama', including Ayatollah Kaze Shari'atmadari, stubbornly refused to give legitimacy to the Constitution. Moreover, the Shi'ite theory of government was primitive.

Rafsanjani has captured the essence of this difficulty: 'Where in Islamic history do you find parliaments, presidents, prime minister? In fact, 80% of what we now do has no precedent in Islamic history' " (Milani, 1993, p. 87).

As it can be seen from the above passage, the essence of the challenges that Iran faced post the Revolution is obvious. In setting the scene the term *velayat-e faqih* and the distinction between the fractions of the power camp, one of which is termed the *fundamentalist*, is noteworthy. *Velayat-e faqih* refers to the "the rule of the jurisconsult" (Milani, 1993, p. 87). Early on in the post revolutionary Iran, the camp for the power formed between three fractions, viz., in Milani's terms, the "maximalist and minimalist proponents, and the opponents of the *velayat-e faqih* who deemed it incompatible with republicanism" (Milani, 1993, p. 88). Thus, these three camps refers to how each fraction approached rule of nation by *velayat-e faqih*, i.e., *by the rule of jurist consult—Islamic clergy*. The maximalist, wanted maximum power for *faqih* and this is the main reason this fraction is referred to using the term *fundamentalists*. As it can be seen from the passage, Milani very well underlines Iran's challenges. Firstly, the *ulama* had no practical experience with running a nation. Secondly, in Islamic theology, all temporal authority are seen as illegitimate, so in theory it would be impossible to harmonize the idea of an Islamic Republic with rules of *veldyat-e faqih*. Finally, Rafsanjani voicing the nature of the challenges well demonstrates that early managers of Iran were aware of the difficulties they faced, viz., "Where in Islamic

history do you find parliaments, presidents, prime minister? In fact, 80% of what we now do has no precedent in Islamic history,” argues Rafsanjani (Milani, 1993, p. 87).

Development of Iran’s constitution post revolution deserves a whole chapter and is hence beyond the scope of this present chapter. Here it suffice to underscore the immense challenges Iran faced in her post revolutionary phase, especially in light of the highly dependent system of governance she had inherited. Overall, it can be asserted that immediately post the 1979 revolution the task was to lay out a constitution based on Islamic system of thinking. This involved interpretation and proposal for method of implementation of Islamic thoughts using a series of clergy/experts assembled in different groups, one of the most important being the so-called *Assembly of Experts* (Milani, 1993, p. 86). Writing on the effects of the new constitution on Iran’s economic development, Pesaran maintains that:

“In contrast with the previous constitution, the present one contains a whole chapter dealing explicitly with the economy and financial affairs and covers economic issues as diverse as public ownership, personal property, meeting basic needs, environmental pollution and leisure activities. Principle 44, which as far as economic matters are concerned is perhaps the single most important principle of the constitution, outlines the

country's economic system in some detail.”

(Pesaran, 1982, p. 513)

In the new Islamic constitution, Principle 44 explicitly addresses the economic system dividing the economic sphere into three sectors, viz., the governmental, cooperative and the private sector. Foreign trade, the banking system mines and major transportation networks and radio and TV stations are publically owned and are hence at the disposal of the government. The co-operative sector is organized by small and large coops in cities and villages and is regulated in accord with Islamic laws. The private sector under the new regime consists of that segment of the economy that is organized privately, e.g., a portion of agriculture, animal husbandry and other smaller industries that fall outside of the government control. The new constitution maintains that ownership in these sectors is protected by the Islamic Republic laws in so far as these sectors operate in conformity with Islamic precepts and do not harm the development for the country (Pesaran, 1982). One of the main aspects of the new constitution is that it:

“envisages a definite and irreversible shift toward greater direct government involvement in the country's economic affairs and, in comparison with the prerevolutionary situation, extends the net of government control over banking, insurance, foreign trade, and major industries

which form a substantial part, if not all, of the modern sector” (Pesaran, 1982, p. 513).

Thus, the new constitutions envisions the organization of the economic activity along a definite Islamic faith and principles and central in its conception of the organization of the economic activity is the role that it assigns to the government in controlling banking and major industries which under previous regimes were largely dictated by foreign interests. Reacting to the concessions that Iranian monarchies have historically made to foreign power the new constitution provides some important articles directly prohibiting foreign ownership in Iran. That is:

“Article 81 prohibits the establishment of foreign companies or organizations in most key sectors of commerce, industry, agriculture, mining, and services. Article 82 forbids the employment of “foreign experts except in cases of necessity” and only then subject to parliamentary approval. Likewise, Article 83 prohibits the transfer of property to foreigners without such approval. Article 153 prohibits the conclusion of agreements that would result in foreign control of natural resources, economic resources, military affairs, culture, and others” (Hakimian, 2008, p. 26).

3.5.2. Overview of Economic Performance of the Islamic Republic

Immediately after the 1979 revolution, workers' demands and active participation in organizing work increased. Organizations, such as the Workers Council, "demanded active participation in the management of factories and, despite initial resistance by the provisional government, succeeded in forcing the government to recognize their councils and to accept their direct involvement in industrial management" (Pesaran, 1982, p. 514). In the background to the significant increase in level of government involvement in the economy other important trends that affected the Iranian economy post revolution have been the rapid growth of the population and a significant level of immigration from rural areas to urban centers.

Table 3.2 provides an overview of growth of the Iranian population from 1976 to 2010. As it can be seen from table 2, Iran's population has grown steadily since the 1979 revolution. Two years before the end of the Iran-Iraq, Iran's population stood right before 50 million. Since the end of the war Iran's population has increased with more than 25 million.

Table 3.2: Iran Population Growth

Year						
1976	1986	1991	1992	1993	2005	2010
Population						
33.71	49.45	55.84	57.15	58.49	70.8	75.1

Source: *Zangeneh (1998, p. 115)*

In addition to the rapid rise in population which has been a major factor affecting Iran's economic health, since the revolution there has been a major wave of immigration from rural areas to urban centers (Zangeneh, 1998). As Hamid Zangeneh points out in his analysis of Iran's economic development and population movement:

“Even though the rural population increased in actual numbers from 13 million in 1956 to about 23.6 million in 1991, there was a decline in rural residents as a proportion of the nation's overall population” (Zangeneh, 1998, p. 115).

Iran's rural-urban population movement loaded urban centers significantly (e.g., a host of new demands posed by the increased traffic, congested roads, deteriorated air quality and dramatic demands on the water supply system). One major aspect of the rural to urban migration wave has been the dramatic load it has posed on an already strained agricultural sector. Zangeneh has voiced this strain vividly. As he points out the move of the rural population to urban centers “changes their status from producers consumers of foodstuffs to that of consumers only” (Zangeneh, 1998, p. 115). Thus it should be born in mind that the rural-urban migration movement only worsened production in the agricultural sector. An overview of Iran's economic performance in terms of percentage of GDP growth from 1960 to 2005 is provided in table 3.3 to get an idea of economic development before and after the 1979 Revolution.

As it can be seen from table 3.3 Iran's GDP grew from 10.6 percent between 1960-72 to about 9 percent just before the 1979 Revolution.

Table 3.3: Mean and SD of Iran's Annual Real GDP Growth Rate for Key Phases between 1960-2005 (in percentage)

Before the Revolution			
	Mean	SD	
1960–72	10.6	3.5	Before the oil-boom years
1973–77	8	7.6	The 1970s' oil-boom years
1960–78	9	6.2	<i>The Shah's years</i>
After the Revolution			
1980–88	–1.3	8.9	War years
1989–93	7.5	5.4	First Plan
1994–99	2.8	1.9	Second Plan
2000–2004	5.4	1.7	Third Plan
1989–2004	5.1	3.7	Postwar years
1979–2004	2.5	6.7	<i>All Islamic Republic years</i>
1960-2005	5.3	5.3	Entire Period

Source: Hakimian (2008). Institutional Change, Policy Challenges, and Macroeconomic Performance: Case Study of the Islamic Republic of Iran (1979–2004, p. 10)

As demonstrated in the foregoing section that raised economic performance under Pahlavi regime, Iran's GDP growth was largely accounted for growth in oil production and very high prices of oil in the 1970s. Table 3.3 shows that Iran's economy actually contracted by 1.3 percent during the 8 Iraq-Iran war. As it can be seen from table 3.3 the three years immediately after the war, Iran's economy showed the highest rate of growth, viz., 7.5 percent (this is the during the Iran's First Plan). Iran's GDP during the second Plan showed the lowest rate of growth as compared to the remaining peace time phases, viz. only 2.8 percentage growth rate.

In his overview of Iran's economic development, Hassan Hakimian (2008) provides an interesting comparative overview of development of economy during the Pahlavi era (which as noted previously can be considered highly prosperous for Iran because of very high oil prices during that era) with the Islamic Republic era. As it can be seen from table 3.3, while during the 1960-1978 era Iran's GDP grew with 9 percent, during the Islamic Republic years of 1979 to 2004, including the 8 years' war time period, the GDP grew with 2.5 percentages.

3.5.3 Iran's Dairy Industry

In lights of the overall objective of this present thesis which focuses on examining manager motivation in the dairy industry in Iran, a section on the organization of the dairy industry in Iran is here in order.

Iran's dairy industry is closely related to the host of government bodies that have historically worked with operation of the agricultural sector, "in fact, the division of responsibility for the dairy industry divides between three different Ministries (Agriculture, Construction and Industry)" (O'Brien, 2001, p. 22). From an historical point of view 1957 marks an important event in the development of the dairy industry in Iran as Tehran Pasteurized Dairy Plant was established with a daily capacity of 45 tones (Dairy Sector & Dairy Consumption in Iran, 2008). Development of the dairy industry in Iran has been affected by some of the previously noted structural problems that have influenced the agriculture sector.

As noted previously, relative to other industries the agriculture sector in Iran developed at a much slower pace. It is useful to reiterate findings presented in this chapter in table 3.1. It may be recalled that relative to other industries, e.g., mining and oil industries that grew at above the 10 percent lines during the Pahlavi era, the agricultural sector was neglected; growing at about 4 percent and Iran was a net food importer. These problems were inherited by the new Islamic regime and hence the dairy industry inherited most of the structural problems inherent in Iran agricultural sector. Writing under the heading *Impact of Globalization on Agricultural Production, Exports and Imports in Iran*, Hosseinzadeh (2010) provides a very useful overview of Iran's agricultural production under the Islamic Republic era. As Hosseinzadeh demonstrated:

“In the interval 1981-1998, the agricultural production witnessed maximum growth. The reasons for this are: Firstly, agricultural imports declined relatively during the war of Iran and Iraq (1979-1987). Secondly, due to increased emphasis placed on agriculture and the necessity of independence and self-reliance of this sector, the gross production of agricultural sector increased greatly during this period. Again, during 1999-2001, the value added by agricultural sector declined. Further, due to enforcement of liberalization policies after 2001, it again witnessed increase in growth...despite fluctuations, production of agricultural sector in general showed an increasing trend “ (Hosseinzadeh, 2010, p. 67).

Hosseinzadeh's overview of production data from Iran's agricultural sector is very useful. As it can be seen from the passage, the core idea Hosseinzadeh demonstrates is the great stress that has been placed on the country's independence and self-reliance of the agricultural sector. Overall Iran's agricultural sectors are much more self-reliant and have been growing at a significantly higher rate under the Islamic Republic rule than during the Pahlavi era. Most of the ideas informing a self-reliant agricultural industry has

also informed the dairy industry which is directly controlled by Iran's agricultural office.

In its recent analysis and forecast report (Quarter 1, 2013) of the agricultural/dairy industry in Iran Business Monitor International (2012) argues that:

“Iran is the Middle East and North Africa's largest producer of fresh milk; however, in recent years, milk production growth has been negatively affected by high grain prices...Almost all of Iran's milk is destined for local markets, where prices have traditionally been kept artificially low by the government. In 2012/13 we expect milk production to rise by 1.9% to 8.3 m tones”
(Business Monitor International, 2012, p. 17).

This most recent report, which should be stressed is written by an economic forecasting agency based in Europe, demonstrates that Iran's dairy industry has expanded significantly under the Islamic Republic era and that Iran is one of the largest dairy producers in the Middle East allocating most of its production to domestic use. Concurring with Bakhshoodeh's and Shahnushi's recent report (2011) from College of Agriculture, Shiraz University and College of Agriculture, Ferdowsi University, Business Monitor International underscores some of the continued structural problems that Iran's dairy industry is facing.

As Bakhshoodeh and Shahnushi point out:

“Despite the lack of milk supply in some areas, many dairy farmers have no access to an adequate market for milk. The price of milk fluctuates not only because of differences in the percentage of milk fat but depends on the bargaining power of the farmers. This arises from the fact that there are not enough milk-gathering facilities and transport services to collect the milk produced by a large number of small dairy farmers scattered throughout the country” (2011, p. 162)

A number of important information are laid out in Bakhshoodeh's and Shahnushi's recent study helping us form an overview of the current production process in the dairy industry in Iran. As it can be seen from the passage Bakhshoodeh and Shahnushi underscore that one of the main persisting problems of the dairy production in Iran is lack of access of the large number of small dairy farmers to the market for milk. Basically the core structural problem that Bakhshoodeh and Shahnushi point out is that many of Iran's small dairy producers have insufficient access to the market because of simple transportation problems that have remained unsolved. Business Monitor International also underscores this problem as one of the

biggest structural problems facing small farm holders producing a major portion of milk in Iran. According to Business Monitor International's recent analysis (i.e., quarter 1, 2013):

“The Iranian dairy sector is struggling to expand due to structural and infrastructure issues. The milk collection network has been neglected despite government funds that were allocated to support prices and subsidies inputs. Smallholders lack the facilities to store and transport milk to major markets, which leave them at the mercy of traders who offer far less than the government's minimum price for milk” (Business Monitor International , 2012, p. 6).”

As it can be seen here Business Monitor International also underscores the main structural problem that has been underlying the Iranian dairy production system, viz., lack of well-developed networks for collecting the milk small farmers produce across the country. According to Bakhshoodeh's and Shahnushi's 2011 report “the majority (almost three forth) of cow milk is produced” in Iran is provided by the traditional dairy farmers (2011, p. 162). This hence entails that the underdeveloped *network of collection* is responsible for the kind of market imperfection that Bakhshoodeh and Shahnushi (2011, p. 162) underscore. According to Bakhshoodeh and Shahnushi this form of market imperfection puts the small farmers at the mercy of middlemen and other larger collectors who buy milk at a lower price

middleman from the farmers than what the government actually guarantees to pay the farmers. One of the main reason smaller farmers sell to these middlemen at lower market prices is that they get their payment much faster than they would from government.

Thus, as it has been demonstrated in this section, Iran's dairy industry has developed significantly under the Islamic Republic era mainly due to large scale effort by the Islamic Republic to improve the agricultural sector of Iran. As it has been demonstrated in this section the agricultural sector improved dramatically under the Islamic Republic especially because of the policies that drove Iran's independence from foreign powers. While under the Pahlavi era Iran's invested heavily in advanced technological knowhow in sectors of the economy that mainly US managed and controlled neglecting the agricultural sector that left Iran importing food, under the Islamic Republic the industry that lay at the foundation of feeding Iranian with Iran's own soil improved dramatically. To reiterate Hashmat Pesaran's overview of this point, "nonetheless, the dominance of the economy by the oil and by the industrial sectors with agriculture and the traditional sectors of the economy persistently lagging behind is undeniable" under the Pahlavi era (1982, p. 504). The dairy industry in Iran has also improved dramatically under her 30 years of independence and despite imperfection in the network of bringing the produced milk of small farmers to higher priced markets, these are issues that have to be addressed as Iran's economy and its underlying structure grows into a more mature state.

3.6. Conclusion

In concluding this chapter some of the key highlights of Iran's history are in order. The chapter began with the period that witnessed the weakest rule in Persia's history, viz., the *Qājār* dynasty in Iran. Due to the limited scope of this chapter, only the end of the *Qājār* rule was highlighted. A careful study of the *Qājār* rule in Iran is of considerable value for understanding the close tie between the impacts of Industrial Revolution and Great Power expanding into Iran. Scholars of Iran's economic history will draw many lessons from examining the interplay of advanced technologies that emerged with the Industrial Revolution and expansion of Great Powers into Iran. The end of the *Qājār* rule in Iran is certainly a great historical break in Iran's history demonstrating the impacts of forces that must be better understood to fully account for Iran's submission at this juncture in history. As demonstrated in this chapter the May 26, 1908 discovery of oil by the British in Iran followed by the 1919 failed Anglo-Iranian Agreement are of immense value to decoding the pillars of Iran's modern trajectory.

Iran under the Pahlavi era provides a classic case study of the *variety* of modernization. While in the West modernization refers to the wave of social, political and economic reforms in the modern era, modernization for Iran essentially meant creating a massive industrial military complex—a super advanced military fortress that could not have been possibly managed by domestic management system and know-hows.

One of the main ideas pursued under the section dealing with the Pahlavi era was to demonstrate both the impacts of IMF industrial strategy and

militarization of Iran. Key here was to underscore the parallels that we see in both systems in their *actual effects* on Iran. As demonstrated here Iran's economic failure under the Pahlavi era was a direct result of IMF imposed industrial strategy. This industrial strategy depicts a growth strategy that yielded both a highly skewed income distribution and a dramatic expansion of the oil sector while the critical agricultural sector continued to suffer. Thus, one can conclude that the version of the economic modernization, dictated by IMF, was not to the benefit of Iran.

As underscored in this chapter, in addition to pure economic data, other data can be used to examine how modernization impacted Iran. As demonstrated here *the trap of modernization* Iran fell into can be vividly seen in the Nixon doctrine of 1969-1974 which essentially exempted Iran from any arms sale review process in the US State and Defence Department opening Iran to some of the most sophisticated military equipments with no domestically anchored management system.

Having discussed the modernization trap Iran fell into during the Pahlavi era, the next important contribution of this chapter to a better understanding of Iran's modern history has been a brief overview of the root of *Shi'i Ulama* discontent. It was demonstrated here that it is very easy to read the covering of *Shi'i Ulama's* discontent as Islamic fundamentalism. As demonstrated here in Iran Nationalist *Shi'i Ulama* stood for ideologies that worked to protect the autonomy of Iran's economy and her domestic production. As demonstrated here under the Pahlavi rule Iran's Nationalist *Shi'i Ulama* are those

representing the interests of Iran's classic domestic mechanists, that is, traditional shop owners, woodworkers, shoemaking factories and artisans.

The Pahlavi era certainly reveals some of the forces that were building leading to the 1979 Revolution. Immediately after the Revolution Iran was attacked by Iraq leading to an almost decade long war. Thus, Iran's economic challenges persisted well over a decade due to the inherited dependent economy, an administrative apparatus that had been forced to import most of its technology and technical know-hows and a decade long war imposed on Iran.

The drafting of a new constitution was also one of the most important aspects of social development in Iran post Revolution. As demonstrated in this chapter the new constitution envisions organization of the economic activity along a definite Islamic faith. Reacting to the concessions that Iranian monarchies have historically made to foreign powers, the new constitution prohibits establishment of foreign companies and organizations in industry, agriculture, mining, and services.

After the war with Iraq, Iran's economy showed significant signs of growth expanding with over 7 percent followed by an average of about 2.5 percent annual growth rate. Iran's challenges have remained and intensified in recent years, especially in light of the sanctions that have been imposed on her due to Iran's developing nuclear technologies that the west considers are not entirely for meeting peaceful energy needs.

Finally, as demonstrated in this chapter while under the Pahlavi era Iran's invested heavily on advanced technological knowhow in sectors of the economy that US mainly managed, neglecting the agricultural sector, under the Islamic Republic era agricultural sector productivity improved dramatically. In line with the development of the agricultural sector, Iran's dairy industry has also developed significantly. The next chapter will address the methodology applied in this thesis and provides an overview of the assumptions behind selecting the methods for this study.

CHAPTER FOUR: METHODOLOGY

4.1. Introduction

At the outset it should be underlined that our understanding of the role motivation plays in organizational performance has been improved significantly by the variety of approaches and measurement methodologies that have been applied. Certainly supplementing the classic deductive approach with inductive, qualitative methodologies which are *data-driven* and *investigative* in approach has enriched our understanding of motivation in organization. This is a critical point that is waved throughout the discussion in this section. It is imperative to bear in mind that the methodologies applied to assess motivation in organizations has played a major role in affecting a change from deterministic models to highly dynamic system theory and contemporary human resources management theories (Winship, 2006, p. 234).

In the following analyses, section 1 will discuss the importance of both the deductive and the inductive methodologies for a better understanding of the research phenomenon under investigation. As it will be argued under section 1 the deductive approach is *theory driven*, while the inductive approach is *data-driven* (Rashid, 2011, p. 72). In the deductive approach researchers' perspective is formed by a theory or a set of theories and with the theory in mind the researchers design the methodology of a study heading to the field or the experimental laboratory to verify and validate how well the data fit into the theory (Cummings & Frost, 1985; Robinson, 2011). The inductive

approach, on the other hand, is driven by a researcher's incomplete understanding of a phenomenon and as the data are collected and analyzed a tentative conceptual framework is formed and is gradually modified as the researcher taps into the data (Cummings & Frost, 1985; Robinson, 2011). Thus, in the inductive approach new data are constantly modifying the research framework.

Under section 2 of the present discussion the quantitative and the qualitative methods are discussed. As it will be argued, in the quantitative perspective the research questions are set from the very beginning by a theory, that is, the body of available knowledge. As a result "there is a limit to what such models can see [because] the parameters of the research questions will be set by the starting hypotheses, expressed in the variables that have been chosen to build the model. The model has no way of seeing what it has not already determined should be there" (Brannen and Moss, 2012, p. 791). As it will be demonstrated in this section, despite the value of the deductive approach, the foregoing discussion certainly shows that the quantitative methodological approach has some weakness because 'it' cannot see anything outside of the model. It is precisely to this weakness that the inductive approach responds. Powered by the data-driven, investigative approach, the whole idea build into the qualitative approach is to let the data speak openly and the researcher then builds a better broader view. This is often referred to as *contextualizing* the data in social, cultural and religious frames (Burr, 2003).

Under section 3 of the following analysis, the discussion will commence with raising some of the key methodological principles informing survey and questionnaire design of this present thesis.

Another important section (i.e., section 4) here is allocated to discussing the mixed method approach implanted here (Ihantola and Kihn, 2011) As it will be demonstrated in this section a triangulation of method is well suited for developing parallel lines of inquiry about factors that affect manager motivation in the dairy industry in Iran. As it will be demonstrated the critical advantage of the mixed method approach is that it overcomes the main shortcoming of the deductive approach. Thus, entering the field with, say, only an instrument that is based on Herzberg's theory of motivation and measuring hygiene and motivators without contextualizing the results is certainly of little value. This is, hence, one of the main reasons behind a more comprehensive battery of research measurement tools that are deployed here. The mixed method approach applied here reflects this ambition and the deployment of open-ended interviews to better understand manager motivation are addressed and discussed in section (Ihantola and Kihn, 2011)

In addition to the quantitative measurement approach, interviews will form a very important part of the overall battery of measurement tools that are used to shed light on the overall phenomenon of manager motivation in a dairy industry in Iran. Under section 5 the main methodological principle behind conducting open-ended interviews to better shed light on manager motivation

in the dairy industry in Iran is discussed. The open-ended questions used to better understand manager motivation in relation to the socio-political and economical settings are presented and discussed.

4.2. The Research Approach: The Deductive And Inductive Frameworks

“In general, deductive research tends to proceed from theory to data (theory, method, data, findings), while inductive research tends to proceed from data to theory” (Cummings and Frost 1985, 202. cf., Rashid, 2011, p. 72).

One of the most common approaches to classifying perspectives that informs research methodology is the division that one commonly sees between the deductive and inductive perspectives (Southern and Devlin, 2010; Rashid 2011). There is a fundamental difference between these two perspectives. As it can be seen from the foregoing passage the deductive approach is *theory driven*, while the inductive approach is *data-driven* (Rashid, 2011, p. 72). In the deductive approach researchers' perspective is formed by a theory or a set of theories and with the theory in mind the researchers design the methodology of a study heading to the field or the experimental laboratory to verify and validate how well the data fit into the theory. The inductive approach, on the other hand, is driven by a researcher's incomplete understanding of a phenomenon of interests and as the data is collected and analyzed a tentative conceptual framework is formed and is gradually modified as the researcher taps into the data. Thus, in the inductive

approach new data are constantly modifying the research framework. Elaborating further on this issue in the context of theory development, Southern and (2010) Devlin argue that:

“Theory development involves two forms of knowledge building: inductive reasoning and deductive reasoning. Inductive reasoning builds knowledge from the ground up by establishing a foundation of careful observation of events in immediate contexts. Inductive reasoning contributes to theory development through qualitative research paradigms emphasizing the subjective qualities of lived experiences” (Southern and Devlin, 2010, p. 84).

As it can be seen from the foregoing passage, Southern and Devlin (2010) provide an account of the inductive approach as one that works from ground up in order to develop a theory. It is also important to take note of Southern’s and Devlin’s approach to using the inductive/deductive approach as a *mode of reasoning*. As it can be seen from the passage, Southern and Devlin place these approaches within the context of mode of reasoning maintaining that we are fundamentally dealing with two different mode of reasoning.

In the passage quoted above, Southern and Devlin (2010, p. 84) argue that the inductive mode of reasoning puts considerable value on the immediate context that surrounds observational data. A few lines down after the above

cited quote, Southern and Devlin (2010) compare the inductive mode with the deductive mode maintaining that the:

“Deductive reasoning is most often associated with the scientific method or the modernist (logical-positivist) view of empirical inquiry. Deductive reasoning is a top-down approach in which cumulative knowledge establishes the value of theoretical constructs that can be tested and verified or refuted” (Southern and Devlin, 2010, p. 84).

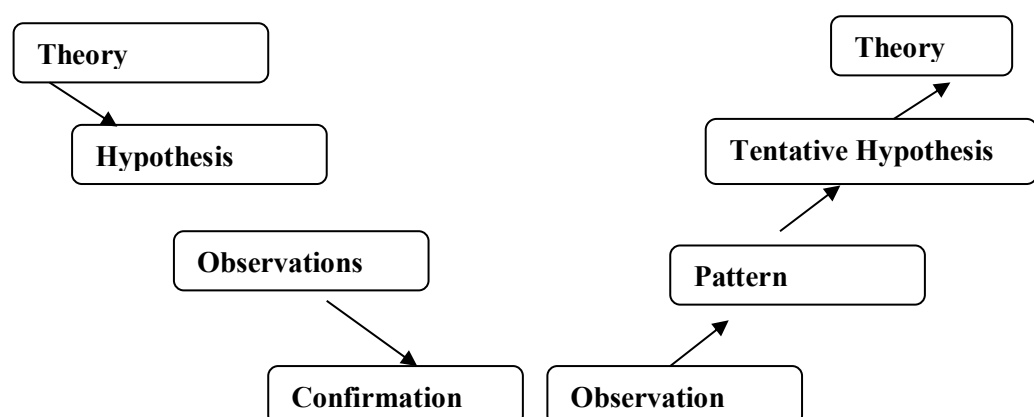
As it can be seen from the passage, one of the key aspects of the deductive mode that Southern and Devlin stress is *cumulative knowledge* establishing the value of a given theoretical construct. This certainly contrast sharply with the *context of the immediate* that the inductive mode stresses. Furthermore, as it can be noted from the passage, Southern and Devlin stress the close ties of the deductive approach with traditional positivism and the classic scientific method.

The research path differs significantly between the deductive and the inductive mode. The top-down (waterfall) vs. the bottom-up (hill climbing) path are often used to differentiate the research path between deductive and the inductive approach (Burney and Mahmood, 2006; Robinson, 2011). As it can be seen from figure 4.1, in the deductive approach (to left of the figure) the researcher follows the model of a *waterfall*, that is, first there is a (1) theory, then based on existing theoretical model (2) the researchers

postulates a series of hypotheses and with these hypotheses (3) heads out to the fields or the experimental laboratory and (4) makes a series of observations.

In describing the deductive approach in relation to the context of data analyses, Thomas has pointed out that the “deductive analysis refers to data analyses that set out to test whether data are consistent with prior assumptions, theories, or hypotheses identified or constructed by an investigator” (Thomas, 2006, p. 238). In sharp contrast to the deductive approach, as it can be seen from the right side of the figure 4,1, when using an inductive approach to investigating a phenomenon, a researcher follows a hill-climbing system by first (1) making observations and then (2) looking for systematic pattern in the collected data. The researcher then tries to fit the collected observations and the patterns that have emerged from these observations into tentative hypotheses.

Figure 4.1: The Deductive versus the Inductive Paradigms



Sources: Burney and Mahmood (2006, p. 67)

In addition to the fundamental difference in the research path between the deductive and the inductive mode, there are other significant differences between these two paradigms.

Table 4.1: Main Features of the Inductive and Deductive Perspective to Scientific Work

<i>Inductive</i>	<i>Deductive</i>
1) Observing specific cases or events	1) Understanding is a function of cumulative knowledge
2) Describing these “particulars”	2) Developing theories from one’s understanding of events
3) Asserting an hypothesis	3) Deriving an hypothesis from a relevant theory and testing it
4) Conducting a test	4) Accounting for results based on theory
5) Obtaining results	

Sources: from Southern and Devlin (2010, p. 85)

As shown in table 4.1. the most important differentiating characteristics between these two paradigms can be grasped by comparing points 2 and 3

in the deductive paradigm to points 2 and 3 in the inductive paradigm. As it can be seen from table 4.1 following the deductive paradigm *hypothesis are derived from relevant theories* (point 3 under the deductive paradigms). This is the critical core difference between the deductive and the inductive paradigm (Southern and Devlin, 2010, p. 85).

Contrary to the deductive paradigm, in the inductive paradigm, observations are first made (point 1) and then from these observations (2) particulars are described and (3) hypotheses are asserted. This critical difference is at the heart of the difference between these two paradigms and as noted above can be made more clear in relation to the notions of the top-down, *waterfall*) versus bottom-up (*hill-climbing*) approach to studying a phenomenon.

Thomas (2006) provides some further important points helping us better understand the main differences between the inductive and the deductive approach. According to Thomas:

“The primary purpose of the inductive approach is to allow research findings to emerge from the frequent, dominant, or significant themes inherent in raw data, without the restraints imposed by structured methodologies. In deductive analyses, such as those used in experimental and hypothesis testing research, key themes are often obscured, reframed, or left invisible because of the preconceptions in the data collection and data analysis

procedures imposed by investigators” (Thomas, 2006, p. 238).

As it can be noted Thomas maintains that the main idea in the inductive approach is to allow the frequent and dominant themes emerge from observational data, without the restraints of structured and strict methodologies that are often used in the deductive approach. This is an important observation Thomas makes and is very useful for setting the scene for the content of the discussion in the next section that compares the quantitative and the qualitative methodologies that are tied to the deductive and the inductive paradigms, respectively.

4.3. The Quantitative AND the Qualitative Methods

The foregoing discussion demonstrates two distinct approaches to conducting research about a given phenomenon. The implications of the deductive and the inductive paradigms for the method applied to research and understand a given phenomenon have been outlined by Brannen and Moss, who argue that:

“From a quantitative perspective, methodological “certainty” is derived at the point of analysis if the measures in the model are reasonably constant and seem to capture adequately what they say they should....There is a limit to what such models can see, precisely because of the potential circularity of the deductive logic at work here. The

parameters of the research questions will be set by the starting hypotheses, expressed in the variables that have been chosen to build the model. The model has no way of seeing what it has not already determined should be there. The variables explored must be apt to the starting hypothesis; the starting hypothesis determines the variables explored....In contrast, the inductive logic associated with qualitative perspectives works the other way round. Where quantitative analysis often relies on off-the-peg explanations that exist independently of and prior to the data they are mapped onto, qualitative analysis constructs the means to think about the data, both in and through processes of data collection and conceptualization. It is geared differently to the analytic task. This key difference is a crucial advantage .." (Brannen and Moss, 2012, p. 791).

Several key points emerge from the foregoing passage that are critical for our understanding of the methods applied within the deductive and the inductive paradigms, viz., the quantitative and the qualitative approach, respectively. A detailed step by step analyses of Brannen's and Moss's arguments in the above passage can be voiced as follows.

Firstly, on the point about *methodological certainty*, Brannen and Moss (2012) point out that in the deductive approach *methodological certainty* is derived from (a) the nature of measurements and (b) whether the

measurement is *actually* measuring what it is intended to measure. These two points are at the heart of the quantitative measurement system and the terms *internal validity* is often used to designate the internal working of this measurement system (Ihantola and Kihn, 2011, p. 41). That is:

- 1) “internal validity asserts that variations in the dependent variable result from variations in the independent variable(s) – not from other confounding factors (Abernethy et al., 1999, p. 16).
- 2) “internal validity is also determined by how much control has been achieved in the study during data collection” (Ihantola and Kihn, 2011, p. 41).

Point 1, i.e., *internal validity*, is at the foundation of the measurement system of the quantitative approach. The foundational idea in the quantitative measurement system is the accuracy by which variation in the dependent factors (in the case of this present thesis, manager motivation) can be related to (accounted by) the variations in the independent factors (e.g., hygiene and reward factors in the organizations and external economic and societal factors).

Point 2, concerning how much control has been achieved during the data collection phase is also critical and is part of the overall level of internal validity. Control during the data collection phase refers to how well researchers can draw conclusion about the effect on the dependent variable (e.g., in the case of this study, manager motivation) of a number of independent variables (e.g., in the case of this study, hygiene factors,

motivators, external economic factors). Controlling extraneous variables and ensuring that the measurement system accurately measures the variable under investigation are central to the level of control that is achieved during the data collection phase (Ihantola and Kihn, 2011).

The sum effects of the above noted points is how well “we can draw valid conclusions from a study given the research design and controls employed” (Ryan et al., 2002, 141, cf. Ihantola and Kihn, 2011, p. 41).

4.4. Survey and Questionnaires

In a recently published work, entitled “*A Practical Guide to Surveys and Questionnaires*” Slattery, Voelker, Nussenbaum, Rich, Paniello, and Neely, (2011), provide an abbreviated account of the main underlying methodological principles that inform survey and questionnaires design. In this section, the discussion will commence with providing a highlight of the key methodological principles informing survey and questionnaires design. The discussion will then proceed by presenting and justifying use of the measurement instrument of this thesis.

“Surveys and questionnaires are not synonymous. A survey is a general methodology for gathering, describing, and explaining information from sample(s) to construct a quantitative description of a population.....Information within surveys can be gathered through many means, including face-to-face interviews, telephone interviews, or most

commonly through self-administered questionnaires....Questionnaires refer to a specific tool, also known as an instrument, for gathering information. Questionnaires are also known as *scales* when their assessment creates a quantified score. Questionnaires consist of a series of questions and are usually self-administered.” (Slattery et al. 2011, p. 831-832).

Firstly, it is important to take note of the differences Slattery et al. (2011) make between survey and questionnaires. As it can be noted, Slattery et al. point out that surveys and questionnaires are not synonymous. As it can be seen in the middle of the passage, Slattery et al., point out that questionnaires are the instrument part of broader method we refer to as surveys which tend to include a range of instruments including face to face interviews.

Defining a research objective is usually the first step in the process, then a researcher begins by using some existing measurement instruments as a starting point for tackling the research objective. The rationale behind using existing measurement instrument as a starting point for the overall measurement strategy is straightforward. In this context Slattery et al. argue:

“When planning a survey, it may not be necessary to develop an instrument *de novo*. Many validated instruments already exist and can often be used directly

or adapted for various uses...It should be noted that if a previously validated instrument is used in an unintended way, the instrument becomes invalidated (2011, p. 832)".

As it can be seen from the above passage Slattery *et al.*, argue that many a times researchers use existing instruments as starting points upon which their research instrument is based on because the validity and reliability of these instruments have been tested and improved upon through many years of research. This practice of basing the research instrument on an existing measurement tool has also informed the present thesis measurement instrument construction.

Herzberg's *motivation-hygiene theory* (1966) and its underlying measurement instrument are the case in point and are used here as a starting point for measuring motivation of managers in the dairy industry in Iran in relation to hygiene and motivators. Before proceeding to explain and present how Herzberg's theory has been used and incorporated into the main measurement instrument in this thesis methodology, some key aspects of Herzberg's theory should be reiterated here (recall that Chapter 2 provided a more comprehensive discussion of Herzberg's theory of motivation in organization).

Herzberg's well known theory of motivation in organization argues for two factor affecting motivation in organizations (Herzberg, 1966). As Teck-Hong and Waheed, (2011) have pointed out:

“In 1959, Herzberg published his analysis of the feelings of 200 engineers and accountants from over nine companies in the United States. These professionals were asked to describe experiences in which they felt either extremely bad or exceptionally good about their jobs and to rate their feelings on these experiences. Responses about good feelings are generally related to job content (motivators), whereas responses about bad feelings are associated with job context (hygiene factor). Motivators involve factors built into the job itself, such as achievement, recognition, responsibility and advancement. Hygiene factors are extrinsic to the job, such as interpersonal relationships, salary, supervision and company policy” (2011, p. 76).

Teck-Hong and Waheed provide a very concise and pinpointed description of Herzberg’s theory and its underlying ideas. Key in Herzberg’s theory is the distinction that is made between *job content* and *job context* factors affecting motivation. As it can be seen from the passage, Teck-Hong and Waheed demonstrate that in Herzberg’s theory motivators are built into the job itself (such as achievement, recognition, responsibility and advancement). Hygiene factors are extrinsic to the job (such as interpersonal relationships, salary, supervision and company policy) (2011, p. 76). Numerous researchers (e.g., Analoui 1999) have developed these ideas building measurement instruments (most often questionnaires) that aims at

measuring motivation in organizations in relation to job-context and job-content factors.

Analoui's 1999 study very well demonstrates how researchers tend to use Herzberg's theory as a basis for distinguishing motivators from hygiene factors while researching motivation in organization. As Analoui demonstrates:

“....However, it needs to be said that the presence of motivators such as “responsibility”, “recognition” and the like can not replace the basic hygiene factors such as adequate remuneration. The above, however, becomes meaningless unless they are seen within the context of the deteriorating state of the economy, raging inflation and an uncontrolled pricing policy” (1999, p. 378).

As it can be seen from above the wording that Analoui has given to the distinction between motivators and hygiene factors provide a very good examples of researchers' use of Herzberg's theory. More importantly, in the case of the present research the context is Analoui's *contextualizing* motivators and hygiene factors within the broader economic forces. It is imperative to take note of Analoui contending that these two factors “become meaningless unless they are seen within the context of the deteriorating state of the economy, raging inflation and an uncontrolled pricing policy” (Analoui, 1999, p. 378).

Analoui's contextualizing of motivators and hygiene factors deserve further comments here. A major step in the research process is to base instrumentations (esp., the questionnaires) on previously conducted research that have used valid and reliable measurement tools. As demonstrated above, Analoui's research (e.g., the 1999 study in Ghana) demonstrates the processes outlined in the foregoing table 4.2 very well. A closer examination of Analoui's research methodology demonstrates the following steps.

(1) *Stating a research objective*, that is, what are "the causal and behavioural influences which determine the managerial effectiveness of senior managers in the public sector" (Analoui's 1999, p. 362)

(2) *Applying existing measurement tools* that have proven research record of *high reliability and validity*. That is, as noted above, part of Analoui's 1999 research is based on instrumentation and measurement tools that draw from Herzberg's theory and method of measurement. It should be noted here that Analoui's underscores that measurement of managerial effectiveness has to take into account the effect of motivation. Analoui's approach to measuring motivation draws from Herzberg's theory. As Analoui point out:

"in order to understand effectiveness attention has to be paid to all parameters of the phenomenon, in particular the motive behind the actions undertaken by managers. The analysis of the quantitative data revealed, not surprisingly, that the motivators were those factors which were not already present at work. The fact that remuneration (46.4)

was seen as the most important motivator was due to the inadequate presence of "hygiene factors" in the Ministry as a whole" (Analoui, 1999, p. 372).

As it is clear from the above passage, Analoui's measurement of managerial effectiveness draws in part from paying heed to measuring motivation and in so doing Analoui draws from the theoretical foundation of Herzberg's (1966) two factor theory of motivation, viz., hygiene and motivators.

(3) Expanding the base measurement instruments to address new questions posed by the research. Analoui's 1999 study very well shows how the base measurement instruments were expanded into "a three-part questionnaire was designed which consisted of 21 questions, a mix of open and closed questions...[and] semi-structured interviews evolved around the issues which emerged from the responses to the open questions in the questionnaire and which concerned individual, organisation and wider external influences such as socio-economic, political and cultural origins" (Analoui, 1999, pp. 366-367).

Much in line with the above noted steps in research methodology Analoui (1999) has applied the present thesis begun by defining the research objective as:

1) Exploring and contextualizing manager motivation in the dairy industry in Iran. This research objective was set because as it has been demonstrated throughout this thesis, to the knowledge of this author (based on

comprehensive literature review), there are no studies of manager motivation in the dairy industry in Iran. More importantly, as it has been underscored throughout this thesis, manager motivation must be understood and modelled in close relation with the broader political, economic and cultural-religious forces that impact manager's daily lives. Thus, contextualizing manager motivation is very important for a fuller understanding of factors that shape manager motivation in the dairy industry in Iran.

2) Having defined the research objective and defended the rationale behind the choice of objective, the next step is to examine the field for previous measurement instruments that are valid and reliable. Analoui's (e.g., 1999, 2002) body of research proved highly valuable in setting the scene for choosing the base measurement in statements. As it has been demonstrated here, in a number of studies Analoui has applied Herzberg's (1996) methodology for measuring hygiene and motivator in organizations that affect manager motivation. It is noteworthy here to underscore that a number of scholars have argued that Herzberg's theory and the measurement instruments that are based on his theory (often questionnaires) continue to be debated and applied in the research field (for review see, Bassett-Jones, and Lloyd, 2005; Teck-Hong and Waheed, 2011). Very noteworthy here is Teck-Hong and Waheed, (2011) underscoring that:

“The two-factor theory was tested by many other researchers, who showed very different results. Some research has shown that some of the factors declared by Herzberg (1966) as hygiene factors

are actually motivators. The results of Herzberg's theory can vary if the test is conducted in different industries. The differences are due to the intensity of the labour requirement and the duration of employment...Extensive commentary has emerged about how to distinguish between hygiene factors and motivators. While some factors have proved to fall clearly in one of the two categories, other factors, particularly salary, have proven to be ambiguous as to whether they are motivators or a hygiene factors” (Teck-Hong, and Waheed, 2011, p. 76)

As it can be seen from the above passage, Teck-Hong and Waheed make some very important point regarding the methodological soundness of Herzberg's theory. Teck-Hong and Waheed maintain that the research results of the methodological soundness of Herzberg's theory continues to be debated despite the popularity of Herzberg theory and method in the west. Teck-Hong and Waheed argue that some research results have actually demonstrates that some factors that in Herzberg's theory are considered hygiene are actually motivators (2011, p. 76). Moreover “salary” continues to yield highly ambiguous results falling into hygiene and motivators.

Finally, another very important methodological issue that must be borne in mind while applying Herzberg's theory and method is that results can vary depending on the industry. Teck-Hong, and Waheed (2011, p. 76) argue that

some of the variations in research findings are actually due to the intensity of labour and duration of employment. Having taken note of some of the most important methodological issues that researchers have underscored about Herzberg's motivation theory and measurement, this present research instrument construction is based on Analoui's approach to using Herzberg's theory and measurement of manager motivation.

Some of the questions that were formulated in a comprehensive questionnaire to measure hygiene and motivators are: 1) How would you describe your job security? 2) How happy are you with your present salary? 3) Does working condition affect your performance? 4) In your opinion, can company policies and procedures motivate you toward your work? 5) How would you describe the variety aspects of your work? 6) How interesting is your job?

7) To what extent do you feel that the challenge in your work affect your level of motivation to work? (the first 4 questions reflect questions focus on hygiene factors and the remaining 3 question reflect questions about motivators). As it can be seen from the above questions, job security, salary and working conditions are among factors that in Herzberg' theory are considered reflecting hygiene factors in organization (Herzberg, 1966).

Motivators, on the other hand, reflect internal organizational factors such as job responsibilities, promotion at work and variety of work. At this juncture it is important to underscore that very similar items have been used by Analoui in a number of studies that have measured manager motivation (e.g.,

Analoui 1999) and hence the reliability and validity of these items reflecting motivation in organizational settings are evident. One of the most critical aspects of measuring manager motivation in the dairy industry in Iran is accomplished using 13 items drawn from Analoui's previous work in this field. Appendix 1 , attached to the end of this thesis provides the full version of the questionnaire used.

4.5. Contextualizing Manager Motivation: Measuring the Effects of External Factors

Contextualizing manager motivation has been a very important aspect of Analoui's research and is very well demonstrated by Analoui's argument about some of the deep shortcoming in classic western developed motivation theories, such as in Maslow's theory. As Analoui underscores in one of his arguments about the importance of contextualizing motivation:

“not all needs are as universal as Maslow (1943) proposed. Many are socially determined and not surprisingly are different from one culture to another”
(Analoui 2007, p. 224).

Analoui's position here is derived from a comprehensive research work on manager motivation from non-western countries. The significance of contextualizing manager motivation in relation to the powerful economic and social factors comes across very vividly in Analoui's 1999 study in Ghana. In

this study Analoui demonstrates how broader socio-economic forces can cut manager motivation in organizations. As Analoui argues:

“It is also important to recognise that in Ghana, like many other developing countries, possession of owned accommodation is seen socially as an indication of effectiveness at work and success as a whole. Most managers have to rely on “projects” to supplement their salary and seek opportunities outside working hours, such as training, research, consultancy and even a second job in order to “buy a plot” and “gradually build on it”. Working abroad and over and above the regular hours has repercussions for the incumbent and more importantly for the effectiveness of the organisation as a whole. It is not unusual to see junior and middle managers using the work as a “resting place for recuperation”. The added stress and a lack of attention to the physical and psychological well-being results in frequent illnesses and a further loss of productivity and effectiveness” (Analoui, 1999, p. 378).

The rich texture of information Analoui provides here is of immense value for positioning manager motivation in its socio-political context. Analoui’s richly textured information in the above passage demonstrates that African culture

must be taken into account as a powerful, broad super-structure that surrounds thoughts and action affecting manager motivation.

As Analoui demonstrates a major social norm indexing effectiveness in Ghanaian culture is “possession of owned accommodation” (Analoui, 1999, p. 378). In order to comply with this norm managers have to take on other work outside of their primary workplace in order to facilitate buying a plot of land to later on build something on it. A direct effect of trying to fulfil this social norm and paying for one’s own accommodation is the primary workplace becoming a sort of “resting place for recuperation” of managers (Analoui, 1999, p. 378). Analoui’s findings hence show that organizational effectiveness must be framed within the broader socio-political culture which embrace manager motivation. Ultimately, Analoui’s research findings shows some of the fundamental problems that researchers equipped with western models of motivation face in trying to account for observational data in non-western productive system using classic western motivational theories.

Thus, contextualizing manager motivation in the dairy industry in Iran must take into account the effects of external influences, i.e., economic, social and possible political influence.

One important aspect of contextualizing manager motivation, very similar to the above noted research work of Analoui, is to examine how broad social norms may impact motivation. Analoui’s research in Ghana on the effect of the social norm “possession of owned accommodation” (Analoui, 1999, p.

378) on manager motivation vividly shows that social norm can have direct and indirect effect on manager motivation.

Table 4.2: Contextualizing managers motivation in relation to socio-political changes: Some representative questions

Please indicate your level of agreement with the following statements using the following scale

1	2	3	4	5
Very low	Low	Neutral	High	Very High

Reflecting on the period post-1979 revolution , the political climate has affected my organization.	111 111 12	2	3	4	5
Reflecting on the period post-1979 revolution , the political climate has affected my motivation .	111 12	222 2	3	4	5
Reflecting on the period post-1979 revolution , the political climate has affected the relationship between management and staff .	111 12	2	3	4	5
Reflecting on the period post-1979 revolution , the political climate has affected the way the management treat their staff	111 12	222	3	4	5
Reflecting on the period post-1979 revolution , the management-staff relationship influences my motivation	111 12	222	3	4	5
Reflecting on the past 10 year , I feel that HR policies and procedures have been affected by the political climate	111 12	22	3	4	5

Source: Self

Much in line with these ideas questions will be asked of managers participating in this study about the impact of political climate on the organization were manager work and how managers motivation may have been impacted by socio-political changes.

In the following table (4.2) some of the items that represent the underlying spirit of the survey questions are presented. (as noted before the full survey is attached as Appendix to this thesis).

In summing up, this section discussed the value of contextualizing manager motivation and presented the measurement instruments that were developed to index manager motivation in relation to socio-political and economic changes. As demonstrated in this section contextualizing motivation in relation to socio-political and economic factors can be of immense value for a better understanding of the dynamic of the processes that affect manager motivation. As underscored in this section a very good example of research on the value of contextualizing manager motivation can be seen in Analoui's research in Ghana on the effect that the social norm "possession of owned accommodation" can have on manager motivation and organizational effectiveness as a whole.

In the next section attention is directed toward the way the classic questionnaire can be supplemented to extract information that are hidden and are not easily measured by the classic deductive, quantitative approach. Here it is of value to recall that one of the reasons Mayo's studies are seen as a hallmark of a new approach to management thoughts is Mayo's having "pioneered a non-directive form of interviewing which involved researchers developing open conversations" (Winship, 2006, p. 234).

As it will be seen in the next section that discusses the interview approach, a mixed method approach that draws both from the classic quantitative questionnaire and open ended interviewing techniques provides a much richer information sources about manager motivation in the dairy industry.

4.6. A Mixed Method Approach to Measuring Manager Motivation: Supplementing Questionnaires with Interviews

As it was noted above by supplementing the classic deductive approach with qualitative methodologies, i.e., method that are *data-driven*, *inductive* and *investigative* our understanding of motivation in organization has been increased considerably. Citing the work of Winship it was noted that what made Mayo's studies original at the time was open-ended interview questions that were "vastly more illuminating than those derived from closed questions. Most participants would answer dutifully 'yes' to the question 'do you like your foreman?', whereas when a subject was broached in a non-directive way with an open question, a more accurate rendering of the truth seemed to emerge." (Winship, 2006, p. 234). Thus, as early as 1930s researchers such as Mayo, 1933) begun using more comprehensive batteries of measurement instruments that are based on both the deductive, quantitative approach as well as on the inductive qualitative approach. Today, in the literature the application of such an approach is often referred to a mixed method approach (Bronstein and Kovacs, 2013). In their discussion of the rationale behind application of the mixed method approach, Ihantola and Kihn, argue:

“Mixed methods research has been recommended in uncharted regions where theoretical roadmaps do not yet exist, but where it is important to apply several methods to stay on firm ground to arrive safely at the destinationIn essence, qualitative data collection and/or analysis can be combined with quantitative data collection and/or analysis either concurrently or sequentially, in one or more stages in the research process and to different degrees” (2011, pp. 39-40).

As it can be seen from the passage, Ihanntola and Kihn argue that a triangulation of method is well suited for developing parallel lines of inquiry about a given phenomenon. Developing parallel lines of inquiry will enable a broader avenue of investigation that includes both the classic deductive and the inductive approach. The critical advantage of the mixed method approach is that it overcomes the main shortcoming of the deductive approach. As Brannen and Moss have pointed out the limit of the deductive approach is that:

“the parameters of the research questions will be set by the starting hypotheses, expressed in the variables that have been chosen to build the model. The model has no way of seeing what it has not already determined should be there. ...There is a

limit to what such models can see, precisely because of the potential circularity of the deductive logic at work here” (Brannen and Moss, 2012, p. 791).

As it can be seen from the passage, one of the most important foundational shortcomings of the deductive approach is that the whole parameters of the inquiry are fixed by the hypotheses that inform a study. It may be recalled from a previous section in this chapter that in the top-down, waterfall approach (see table 4.1. and figure 4.1 in this chapter) is based on using existing knowledge and theories to formulate hypotheses. Thus, research hypotheses from the very beginning direct the whole process and rarely any questions other than those posed by the hypotheses are raised. One of main reasons researchers such as Analoui (1999) use a triangulation of methods, that is, apply a mixed method approach, is that the phenomenon under investigation, which is often manager effectiveness and/or manager motivation, is unfolding under cultural settings that can have immense impacts on the organization under study. Thus, entering the field with, say, only an instrument that is based on Herzberg’s theory of motivation and measuring hygiene and motivators without contextualizing the results is certainly of little (Ihantola and Kihn, 2011). This is, hence, the reason open-ended interview techniques are used to supplement classic measurement methods. In the next section a more detailed discussion of the open-ended interview questions and the methodology underneath it are presented.

4.7. Interviews: Developing Open-Ended Questions to Assess Manager Motivation, Socio-Economic and Political Factors That Affect Manager Motivation

As it will be demonstrated in this section interview techniques based on the approach of the *grounded theory* can be an indispensable tool for tapping into areas with little systematic research findings (Glaser, 1978). In addition to the quantitative measurement approach discussed above, interviews will form a very important part of the overall battery of measurement tools that are used to shed light on the overall phenomenon of manager motivation in the dairy industry in Iran. One of the most powerful, inductive driven, qualitative measurement tools is the grounded theory (Parry, 1998). Ground theory was developed in the 1960's by Glaser and Strauss based on some of the core principles of inductive approach to research. As Parry points out in his exposition of the core principle of the grounded theory;

“The grounded theory approach uses a systematic set of procedures to develop an inductively derived theory about a phenomenon. Through this methodology, concepts and the relationships between them are generated and provisionally tested. Strauss and Corbin (1990) have asserted that if carried out correctly and methodically, grounded theory meets the criteria for “good” scientific research. Those criteria are significance, theory-observation compatibility, generalizability,

reproducibility, precision, rigor, and verification”

(Parry, 1998, p. 89).

As it can be seen from Parry’s discussion in the above passage, grounded theory is based on the inductive approach in the sense that researchers do not start the research with any specific theory, rather the main idea is to “develop an inductively derived theory about a phenomenon” (Parry 1998, p. 89). The core principle is hence to develop an inductively driven theory about the phenomenon under investigation. This entails that observations and open-end inquiry drive research.

As Parry further points out “this process means that concepts and preliminary theoretical ideas emerge out of data” (1998, p. 89). This core principles of the grounded theory in terms of developing an inductively derived theory can be seen in figure 4.1. As it can be seen from this illustrates in the hill-climbing approach observations and then theory building is foundational to the inductive approach. Furthermore, as it can be seen from illustration 4.1. the base principle of the inductive approach is (1) gathering observations and (2) building patterns based on these observations and (3) then developing a theoretical framework that systemically accounts for the pattern that emerges from the observation.

At this point in this method chapter it suffice to underscore that the first step in the interview strategy is to compose open-ended questions that provide room to individuals to elaborate on their ideas about the phenomenon of

manager motivation and inquire into the socio-economical and cultural factors that affect motivation, i.e., contextualise manager motivation. Table 4.3 presents the interviews open-ended questions.

Table 4.3: Open Ended Interview Questions: Assessing The Phenomenon Of Manager Motivation And The Socio-Economical And Political Factors That Affect This Phenomenon

- 1) Reflecting on the overall context that surrounds your organization, what are some of major **socio-economic and cultural issues** that you feel influence your organisation and your work?
- 2) In your opinion, **how do these (the above noted) socio-economic and cultural factors affect your motivation** at work?
- 3) In your opinion how **do economic factors affect your motivation** at work?
- 4) How has the Revolution impacted your organisation? How about manager- employee relationships?
- 5) What are your thoughts about the effects of the Revolution and **the changes it introduced** on manager-employee relationship?
- 6) What are your thoughts about the effects of **recent economic condition** on your motivation at work?
- 7) In your opinion, what **are the major factors** affecting your work motivation?
- 8) How happy are you at work? Are you happy with the nature of your work? Your working condition? Your salary and other benefits? Achievement and recognition at work?
- 9) In your opinion what needs to be done **to improve** the staff and management motivation at work?
- 10) Can changes in socio-economic and political systems influence your organisation, working condition and motivation to work? Please explain.
- 11) Is there anything that you would like to add which has not been covered earlier?

Source: Self

In the case of this present research the phenomena under investigation is manager motivation and socio-economical and political factors that affect manager motivation. Using grounded theory's system of coding the transcripts of the interviews will be analyzed for indicators in the text for similarities and differences that represent the phenomena under investigation. Following this system of coding the main idea is to find words, phrases and sentences that refer to, represent, are indicators of the phenomenon of manager motivation and inquire about the socio-economical and cultural factors that affect this phenomenon. Interviewees in this present research were coded according to participants number (i.e., subject id number), gender of the participant and position in the managerial hierarchy (i.e., junior manager: J, Middle manager M; and senior manager, S). Thus, M.S.1 indicates male senior manager and interviewee 1.

In summing this section, one of the most powerful methods for building an inductively driven theory of manager motivation can be seen in the approach that has been presented in this section. As it has been demonstrated in this section grounded theory provide a number of powerful principles that are based on the system of inductive theory building discussed early on in this chapter. One of the most important aspect of using an inductively driven method (that is, in this case the principle of the grounded theory) is to overcome the blind spot of the deductive approach. That is, as it has been stressed, one of the main shortcomings of the deductive approach is that the whole parameters of the inquiry are fixed by the hypotheses that inform the

study. As a result rarely any questions other than those posed by the hypotheses are raised.

In sharp contrast to this approach the inductive approach is data driven building patterns of knowledge from observations that take place without any initial presumption that inform the investigators system of thinking about the phenomenon. As a results a new and fresh look into the phenomenon is achieved that help improve existing theories.

4.8. Case Study

Up to this point both quantitative and qualitative research methods have been discussed and it has been demonstrated a mixed method approach is more useful in exploratory research settings because it overcomes many of the shortcomings of the classic deductive approach seen in the quantitative approach. The mixed method approach overcomes these shortcomings because it is not limited by a set of fixed hypotheses that frames the classic quantitatively driven method. A final approach to methodology that is discussed here is the case study approach as it provides a useful approach for framing this present thesis. In defining the case study approach, Baxter and Jack argue:

“This qualitative case study is an approach to research that facilitates exploration of a phenomenon within its context using a variety of data sources. This ensures that the issue is not explored through

one lens, but rather a variety of lenses which allows for multiple facets of the phenomenon to be revealed and understood” (2008, p. 544).

As it can be seen here from the definition and the fundamentals of the approach that is adopted in the case study methodology, the approach is similar to mixed method. As Baxter and Jack (2008) argue, one of the core pillars of the case study is to explore a phenomenon from various lenses. Very similar to the mixed method approach, one of the key ideas in the case study approach is to conduct an exploratory analysis of a phenomenon using a variety of data sources. The case study approach is not a unitary methodology and can demonstrate several different approaches. One of the classic approaches is the exploratory case study approach in which there is no clear causal link between variables being examined and hence if a researcher is studying the effects of an intervention there are rarely any strong assumptions (hypotheses) about the effects of the outcome measures (Yin, 2003).

Stake (1995) argues that when researchers have isolated the main parameters and variables for a study (in this case, e.g., manager motivation in the dairy industry) and know that the study will be undertaken solely to address problems within a known framework and not some abstract construct or a generic phenomenon, then we are dealing with an intrinsic type of case study in which the researcher focus the lens of the study within

a particular, known framework. The main idea here is vividly clarified by Baxter and Jack (2008) who argue that:

“While you are considering what your research question will be, you must also consider what the case is. This may sound simple, but determining what the unit of analysis (case) is can be a challenge for both novice and seasoned researchers alike. The case is defined by Miles and Huberman (1994) as, “a phenomenon of some sort occurring in a bounded context. The case is, “in effect, your unit of analysis” (p. 25). Asking yourself the following questions can help to determine what your case is; do I want to “analyze” the individual? Do I want to “analyze” a program? Do I want to “analyze” the process?” (pp. 545-546)

As it can be seen here a main issue is, hence, what is the intended unit of analysis? A process? An individual? Or a program? In the psychological literature the term case study is often used to designate studying a single individual presenting some specific disorder. For example, some of the classic studies on memory have been conducted on single individuals who due to some highly unusual accident present some specific effects on brain tissues and as a result show highly unusual memory problems. These types

of cases, in the psychology literature, are often referred to as a case study in which only an individual is involved. In the case of this present study, as it can be noted from Baxter's and Jack's (2008) discussion, the unite of the study designating a case study is the *process* of manager motivation. This process takes place at Damdaran, a dairy plant in the broader dairy industry in Iran.

4.9. Design and Sampling

A contact list of all managers in the dairy industry of Damdaran was assembled based on publicly available business listings. A letter describing the objective of the study and its benefits were mailed to these managers along with a survey questionnaire. The study's value for shedding light on factors that affect manager's motivation and motivation in the broader organizations were underlined and hence the value of filling the survey questionnaire enclosed with the contact letter were apparent to those contacted.

The study then came to be based on responses of 60 managers (20 junior, 20 middle and 20 senior managers) to the surveys. Based on the mixed method approach discussed previously, in-depth interviews were conducted with 20 managers to form a detailed understanding of the underlying forces that affect manager motivation and performance. Special attention was paid to unveiling cultural and economic factors that influence the daily reality of managers. These managers were asked in-depth questions about their views on organisational factors that affect their motivation and reward level and

how they see these factors in turn affecting the individual and organisational performance.

Thus, the research design is based on a triangulation (*a mixed method approach*) that applies both quantitative (survey questionnaires) as well as qualitative tools (interviews) to tap into the processes that affect managers motivation at Damdaran dairy plant in Iran. In the following an overview of some of the key data surrounding Damdaran is presented to get an idea of the size of the company relative to other major players in the Iranian dairy industry production, the size of the company and its main management structure.

4.10. Damdaran Dairy Plant: A Brief History and Current Role in the Iranian Dairy Production

In 1984 Damdaran (translated from Persian the name of the company means Ranchers) was established as a form of a guild unit aiming at innovating the dairy production in Iran (Damdaran). The mission statement of Damdaran is very telling about the objective and goal settings of the founders of Damdaran at the time (i.e., 1984) when Iran was engaged in a full scale war with Iraq which would finalize in the most devastating convectional war the region has seen since World War II. According to an interview conducted with one of the managers of the company (see History of Damdaran), when Damdaran was officially established in 1984 the company voiced its mission statement as the proud nation of Iran deserve the best and we build here a company to provide the best quality dairy products to the nation of Iran

Table 4.4 Main dairy producers in Iran, Damdaran is part of Teen Dairy Products Co Highlighted in Bold

Producers in Iran	2010	2011	2012	2013
Solico Food Industrial Group	18.2	20.7	22.8	24.2
Pegah Dairy Co	27.8	25.3	22.6	19.3
Choupan Agro Ind PJS	8.2	9.0	9.8	7.6
Cheshme Nooshane Khorasan Co	3.5	4.0	4.5	5.4
Sahar Dairy Industrials Co	5.3	5.6	5.7	4.7
Ramak Dairy Co	2.1	2.2	2.3	2.3
Teen Dairy Products Co	3.7	4.0	4.1	2.3
Various owners	3.0	2.5	2.0	1.9
Bonyad Food & Beverage Organization	1.2	1.4	1.7	1.7
Pak Dairy Co	6.3	6.1	5.6	1.5
Salar Lightvan Co	1.9	1.6	1.2	0.8
Mihan Dairy Group	1.4	1.6	1.7	0.5
Danone, Group	0.1	0.1	0.3	0.4
Tabriz Cheese Industries Co	0.8	0.6	0.5	0.3
Nestlé SA	0.1	0.1	0.1	0.1
Pakban Dairy Co	0.6	0.7	0.7	-
Khazarshir Dairy Co	0.4	0.5	0.5	-
Mimas Dairy Co	0.1	0.2	0.2	-
Others	15.3	13.9	13.8	27
Total	100	100	100	100

Source: Euromonitor International Statistics, 2014

(History of Damdaran). Damdaran history demonstrates that the company started as simple shops facing busy streets in Tehran.

During the spring of 1984 the company initiated its business from the Africa Street in Tehran by selling its milk based products. During the first years of operation, Damdaran produced five different types of yoghurt. From these five different type of yoghurt, four types were based on cow milk and one type of yoghurt was based on sheep milk (Damdaran History). One of the most innovative aspects of Damdaran system of production was based on producing its products in light, highly portable nylon packaging (Damdaran History). During the second year of operation, Damdaran expanded its operation to production of buttermilk, and specialty whipped cream which is very popular in Persian pastry production. 1992 can be considered a hallmark in the company's dairy capacity (History of Damdaran). In its original workshop of 1984, Damdaran production capacity could not surpass 20 ton daily. This production capacity was not meeting the daily demand of the public and hence management decided to move the plant to another location which allowed for a significant increase in the production.

Today Damdaran employs 2567 personnel in a factory size of 45,000 square meters (Damdaran, About Damdaran). The company is headquartered in Teheran. In addition to the Iranian market Damdaran exports many of its products to Iraq, United Arab Emirate, Saudi Arabia, Afghanistan and Kuwait (Damdaran, 2014). Table 4.4 provides an overview of Damdaran's (which is part of the *Teen Co Company*) market share relative to other major players in

the dairy industry field in Iran. Management of Damdaran is structurally composed of senior managers, middle managers and junior management. Senior managers are composed of two layers. One layer of senior managers are involved with understanding and addressing government policies pertaining to operation of Damdaran and dairy production and meeting budget targets for each section of Damdaran. Another layer of senior managers is involved with research and policies and constantly monitoring the plant environment and adjusting policies to maintain production. Middle managers are involved with overseeing operation of each section to optimise performance of each section. They also play the role of communicating process policies from top managers to junior managers. Junior managers are involved with controlling operation of production sections in order to ensure production processes follow policies.

4.11. Informed Consent

For this study a full informed consent approach was adopted. The rationale behind this choice was to ensure that the participants are aware of: (1) the objective of the study and the academic reasons behind it, (2) the kind of information that is collected, (3) means of analysis, (4) long term value of the study, and finally (5) full observation of anonymity.

In light of some of the special challenges that data collection in the Islamic Republic of Iran pose, especially in light of the current political climate, a full written consent approach was deemed appropriate to build trust and promote the value of the study. The process of informed consent initiated with the

initial contact. A consent form was attached to the initial survey questionnaires that were mailed to the participants (see Appendix at the end of this thesis). On this sheet, in plain language (in both English and Farsi), participants were informed about (1) the title of the study, (2) references to the institution and the principle researcher responsible for the investigation and the principle supervisor, (3) objective of the study, benefits of the study and finally the fact that strict anonymity will be observed.

The informed consent form also made it clear that all names are coded and participants were ensured that the keys to these codes are locked with the supervisor of this study at the University of Bradford in a fully secure place. Participants were provided with addresses, phone numbers and e-mail addresses of the principle researcher responsible for the investigation and the advisor. Participants were encouraged to contact the contact persons if there are any future enquiries and questions. Finally, participant were told that they could abandon their participation at any time should they wish to do so.

4.12. Concluding Remarks

In summing, one of the overriding points that has been underlined here is that our understanding of the role motivation plays in organizational performance has been dramatically improved by a wide range of approaches and measurement methodologies that are increasing being applied to model motivation in organizations. As it has been demonstrated here

supplementing the classic deductive approach with inductive, qualitative methodologies which are *data-driven* and *investigative* has certainly enriched our understanding of motivation in organization.

The significant difference in the methodological approach between the deductive and the inductive approach was underscored here demonstrating that the deductive approach is relatively fixed from the beginning by the theories that drive the research hypotheses. In sharp contrast to the deductive approach, the inductive approach is data driven, that is, researchers first observe and then examine the data for new systematic pattern in the collected data. The researcher then tries to fit the collected observations and the patterns that have emerged from these observations into a working theory of the observed data. As it has been demonstrated here the methodological implications of the deductive and inductive approaches are differences we see in the quantitative and qualitative approach to measurement. As argued here in the quantitative perspective the research questions are set from the very beginning by a theory, that is, the body of available knowledge are used to state a hypotheses. Despite the power of the deductive approach, the quantitative methodological approach has considerable weakness because 'it' cannot see anything outside of the model. As demonstrated in this chapter it is precisely this weakness that the inductive approach responds to by the qualitative approach which is based on 'let the data speak openly' using method such as interview. Finally, as demonstrated here a mixed method approach to measuring manager motivation is applied in this thesis. As it has been argued here a mixed

method is well suited for developing parallel lines of inquiry about factors that affect manager motivation in the dairy industry in Iran. As demonstrated here contextualizing motivation in relation to socio-political and economic factors are of immense value for a better understanding of the dynamic of the processes that affect manager motivation. The next chapter data focuses on analyzing and discussing the thesis findings. Two comprehensive sections are allocated to analyzing and discussing the quantitative data as well as the qualitative interviews findings.

CHAPTER FIVE: DESCRIPTIVE ANALYSIS OF THE DATA

5.1 Introduction

This chapter presents the descriptive analysis of the quantitative and qualitative data. In presenting these findings first the results of the surveys are analysed and discussed (See Part I) and then results of the interviews are presented (See Part II). Presentation of the quantitative findings will begin by discussing the demographics of the sample of managers, i.e., gender, age and education level. The presentation of the results of the data analysis will then focus on the variables that demonstrate the number of years the managers have been working at the dairy plant in Damdaran. The survey, as noted in the previous chapter, included two sets of variables that in line with Herzberg's theory (1966) measured managers' perception of hygiene and motivation factors in the Damdaran dairy plant. Managers' perception of factors is related to external environmental conditions. Following the presentation of managers' perception of how external economic and socio-political climate have affected their working condition and motivation, findings of the qualitative interview data are then presented in part II of this chapter by focusing on views of the sample (25%) of managers which were obtained through in-depth interviews.

PART I: ANALYSIS OF THE QUANTITATIVE DATA

5.2. Analyses of Demographic Data

As noted in a prior discussion pertaining to the design of the study, one of the ideas behind the design of the study was to investigate manager motivation in relation to the dependent variable, *position in the managerial hierarchy* of Damdaran dairy plant. Three separate groups, positioned in three managerial hierarchies were hence studied. These were 20 junior, 20 middle and 20 senior managers. Table 5.1 provides an overview of the distribution of age of managers in the sample as a whole.

Table 5.1: Age Groups of Managers: Number and Percentage of Managers in Each of the 7 Age Groups

		Frequency	Percent	Cumulative Percent
Age Groups	26-30	3	5.0	5.0
	31-35	14	23.3	28.3
	36-40	11	18.3	46.7
	40-45	12	20.0	66.7
	46-50	10	16.7	83.3
	51-55	6	10.0	93.3
	55+	4	6.7	100.0
Total		60	100.0	

Source: Data Analysis

As it can be seen from Table 5.1, an overview of the age of managers demonstrates that 40-45 years is the age group with the largest percentage

of managers. That is, 20% of the full sample of managers is between 40-45 years. The 36-40 and the 46-50 years age groups are the next largest groups, respectively composing some 18% to 16% of the full sample. Thus, 66% of the full sample fell below the 45 years of age with the remaining 27% falling between 46 to 55 years of age.

Considering the distributions of age among the participants in three managerial hierarchies of Damdaran dairy plant, we can see from Table 5.2 that most of junior managers were 31-35 years of age (50% of the group of 20 junior manager). As it can be seen from Table 5.2, most of the senior managers are some 15-20 years older than the junior manager group. Note that 45% of the senior managers are between 45 to 50 years of age. Middle managers, on the other hand, fall somewhere in between junior and senior managers with the largest age group of middle managers falling between 36 to 40 years of age.

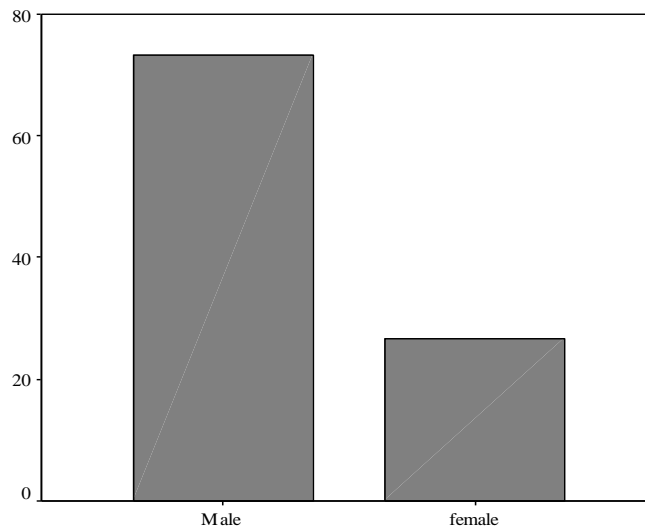
Table 5.2: Age Groups of Managerial Levels: Number and Percentage of Managers in Each of the 7 Age Groups

		Managerial Position			Total
		Junior manager	Middle Manager	Senior Manager	
Age	26-30	2	1		3
		10.0%	5.0%		5.0%
	31-35	10	4		14
		50.0%	20.0%		23.3%
	36-40	4	6	1	11
		20.0%	30.0%	5.0%	18.3%
	40-45	2	5	5	12
		10.0%	25.0%	25.0%	20.0%
	46-50		1	9	10
			5.0%	45.0%	16.7%
	51-55	2	1	3	6
		10.0%	5.0%	15.0%	10.0%
	55+		2	2	4
			10.0%	10.0%	6.7%
Total		20	20	20	60
		100.0%	100.0%	100.0%	100.0%

Source: Data Analysis

In a traditional society such as Iran, the distribution of gender of managers is of interests and as it can be seen from the quick overview in Figure 5.1 female employees compose a notable share of the full sample of managers at the Damdaran dairy plant in Iran.

Figure 5.1: Gender of Managers



Source: Data Analysis

As it can be seen from Figure 5.1 about a quarter of the full sample of 60 managers are females (26.7%) and the remaining 73.3% percent are males. How is gender distributed within the three managerial hierarchies? As it can be seen from Table 5.3, most of the senior managers (90%) are males. Among both the junior and middle managers we can note up to 35% females, which is relatively high for a traditional society such as Iran.

Moving on to analysing the educational level of the full sample of managers, we can note from the quick overview provided in Figure 5.2 that the majority of the sample have at least a masters' degree (43%). Managers with a PhD fall right after (28% of the full sample) and the remaining 15%, 11% and 1.7% of the full sample have Bachelor's degree, diplomas, and an up to a diploma degree, respectively.

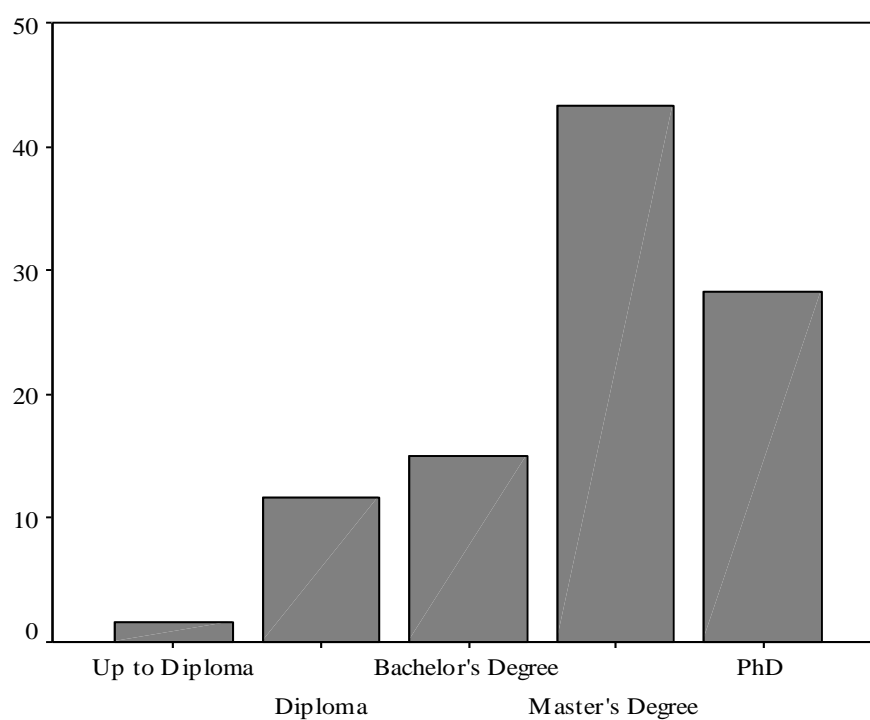
Table 5.3: Gender Distribution Within 3 Managerial Hierarchies

		Gender		Total
		Male	f emale	
Managerial Position	Junior managers	13	7	20
		65.0%	35.0%	100.0%
	Middle Managers	13	7	20
		65.0%	35.0%	100.0%
	Senior Managers	18	2	20
		90.0%	10.0%	100.0%
Total		44	16	60
		73.3%	26.7%	100.0%

Source: Data Analysis.

The educational level of managers in relation to position in the managerial hierarchy is depicted in Table 5.4.

Figure 5.2: Level of Education of Managers



Source: Data Analysis

As it can be seen from table 5.4 the majority of junior managers have a Master degree (40%), most of the middle managers have either a Master degree (45%) or a PhD (40%).

Furthermore, Table 5.4 shows that among senior managers having a PhD degree (45%) is as prevalent as having a Master's degree (45%). Overall, as it can be seen from the Table 5.4., middle and senior managers are more educated than junior managers.

Table 5.4: Education Level within the Three Managerial Hierarchies

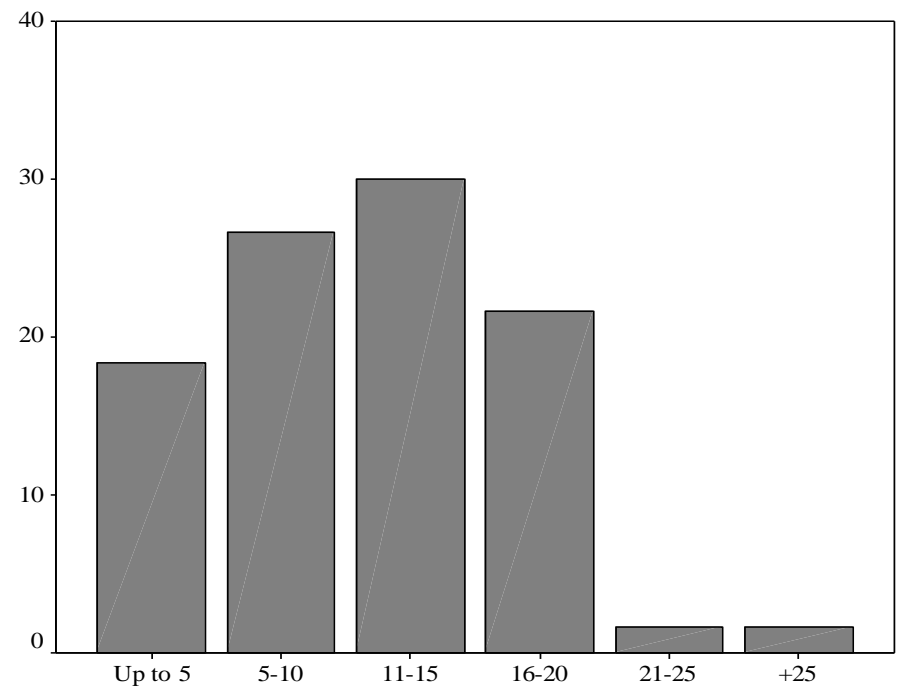
		Managerial Position			Total
		Junior manager	Middle Manager	Senior Manager	
Education	Up to Diploma	1			1
		5.0%			1.7%
	Diploma	6	1		7
		30.0%	5.0%		11.7%
	Bachelor's Degree	5	2	2	9
		25.0%	10.0%	10.0%	15.0%
	Master's Degree	8	9	9	26
		40.0%	45.0%	45.0%	43.3%
	PhD		8	9	17
			40.0%	45.0%	28.3%
		20	20	20	60
		100.0%	100.0%	100.0%	100.0%

Source: Data Analysis

Years of experience in current managerial position for the full sample is depicted in figure 5.3. As it can be seen from figure 5.3, the majority of the sample, i.e., 30% of the sample have been working at the Damdaran dairy

plant anywhere from 11-15 years. Managers who have worked at the Damdaran dairy plant anywhere between 5-10 years compose 26 percent of the total sample. Some 18 percent of the total sample of managers has worked at the Damdaran up to five years. The categories of 21-25 and +25 years of work experience at Damdaran compose a negligible percentage of the total sample.

Figure 5.3: Years of experience in Current Managerial Position



Source: Data Analysis

Years of experience in the current management position categorized by managerial hierarchies of junior, middle and senior managers is depicted in Table 5.5. As it can be seen from table 5.5, some 80% of junior managers fall under the 10 years of working experiences at Damdaran dairy plant (adding up the Up to 5 years with the 5-10 years categories). Middle

managers have longer working experience than junior managers. Some forty percent of middle managers have five to 10 years of experience, 35% of middle managers have 11 to 15 years of experience and 15% of middle managers have 16 to 20 years of experience. Senior managers have the longest working experience at Damdaran dairy plant. As it can be seen from table 5.5, 50% of senior managers have 16 to 20 years of experience and 35% of senior managers have 11 to 15 years of experience.

Table 5.5: Years of Experiences in the Current Management Position

		Managerial Position			Total
		Junior manager	Middle Manager	Senior Manager	
Years of Experience in Current Management Position	Up to 5	8	2	1	11
		40.0%	10.0%	5.0%	18.3%
	5-10	8	8		16
		40.0%	40.0%		26.7%
	11-15	4	7	7	18
		20.0%	35.0%	35.0%	30.0%
	16-20		3	10	13
			15.0%	50.0%	21.7%
	21-25			1	1
				5.0%	1.7%
	+25			1	1
				5.0%	1.7%
	Total	20	20	20	60
		100.0%	100.0%	100.0%	100.0%

Source: Data Analysis

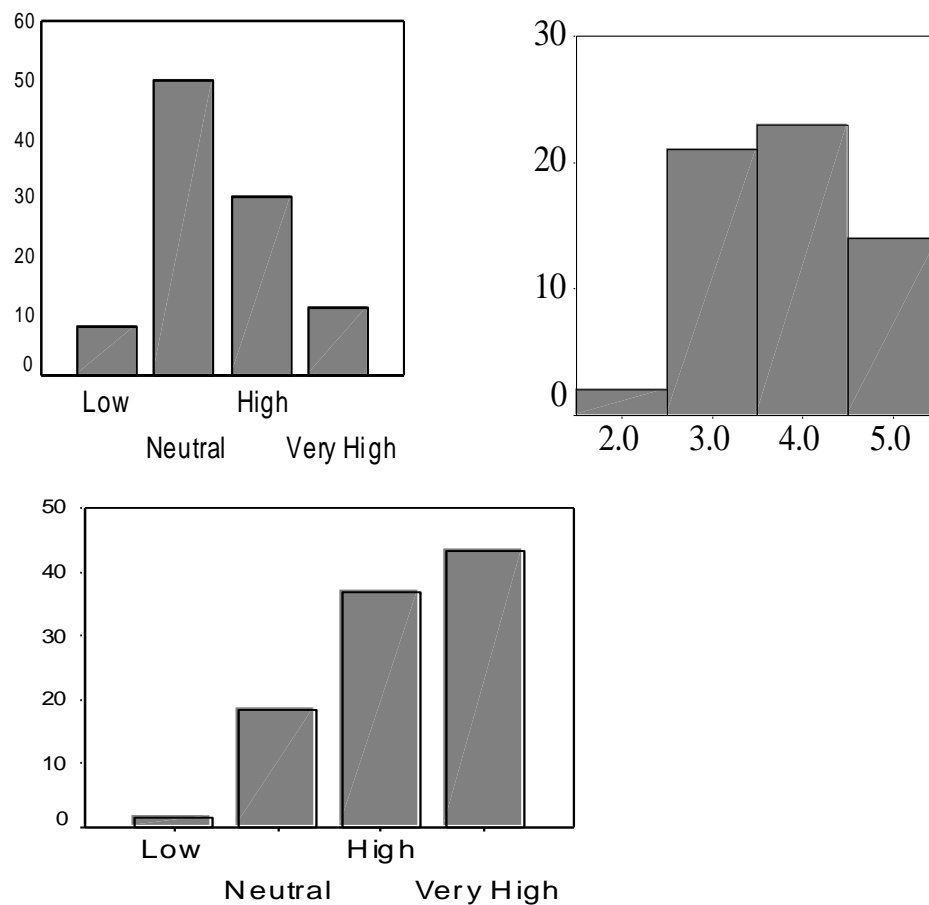
Having addressed the key demographic factors that reflect the sample of managers studied, the next section will present analyses of results of

hygiene and motivates based on Herzberg's classic motivation-hygiene theory, also known as the two-factor theory of Herzberg (Herzberg, 1966).

5.3. Analyses of Hygiene and Motivator Factors

As pointed out previously, the instrument that Herzberg developed in conjunction with his *motivation-hygiene* theory, also known as the *two-*

Figure 5.4 (A, B, C): Managers responses to issue of employment security at work



A. How would you describe your job security?

B. Is your job security related to your performance at work?

C. How important is feeling secure (job security) to your job satisfaction at

work?

Source: Data Analysis

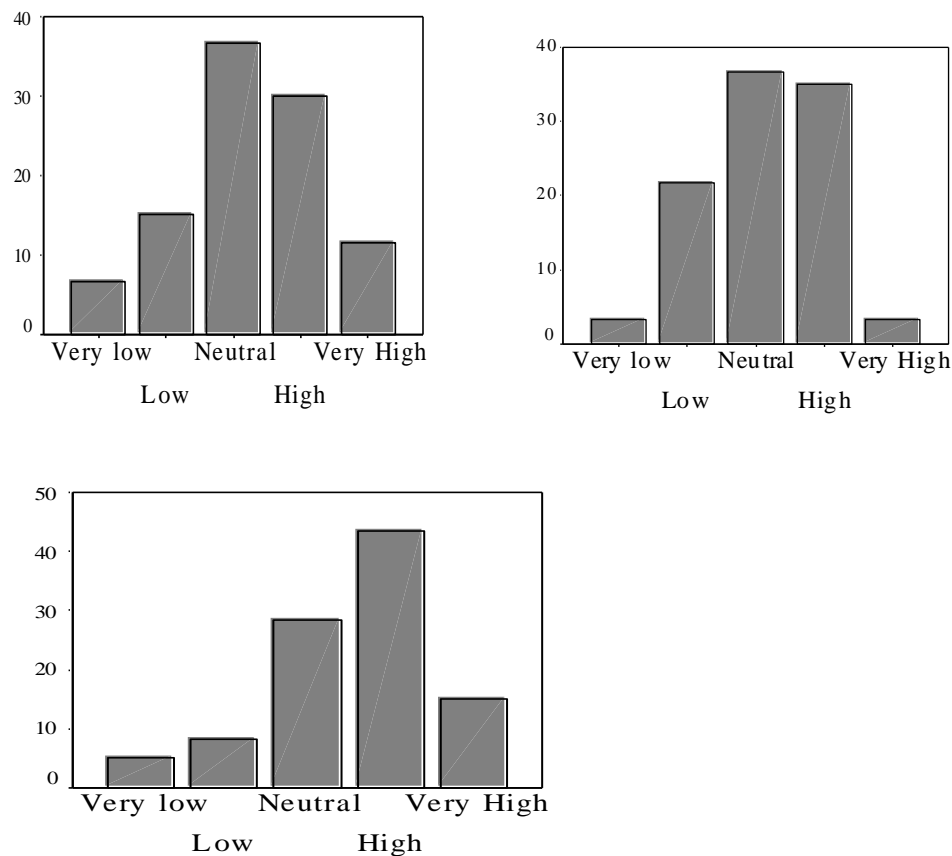
factor theory of Herzberg (Herzberg, 1966), was used as the basis for developing the main questionnaire that measured hygiene and motivators in the Damdaran dairy plant in Iran. The following analyses will first present analyses of the hygiene variables and will then proceed with analyses of motivators. (See Figures 5.4.a, b & c). These represent managers' response to three questions regarding job security.

As shown in figure 5.4. the major segment of the distributions of responses in the three questions on job security fall between 3=natural to 4=high. In response to "How would you describe your job security?" (mean=3.4, mode=3, sd=, 0.81), 50% of the managers reported a "neutral" response, 30% reported a "high" response and 11.7% reported "very high". In response to "Is your job security related to your performance at work?" (mean=3.8, mode=4, sd=0.83), 35% of the managers reported a "neutral" response, 38% reported a "high" response and 23.3% reported "very high". In response to "How important is feeling secure (job security) to your job satisfaction at work?" (mean=4.22, mode=5, sd=0.80), 18.3% of the managers reported a "neutral" response, 36.7% reported a "high" response and 43.3% reported "very high".

Figures 5.5.a, b & c represent managers' response to questions regarding salary. Figure 5.5. a shows that in response to "how happy are you with your present salary?" (mean=3.2, mode, 3 & sd=1.07), 36% of managers are

responding neutrally, while 30% reported high level of happiness. Figure 5.5.b tells us that most of the managers describe the relationship between performance and salary in neutral terms (36%) and 35% rate this association as high (mean=3.1, mode=3, sd=0.91). Figure 5.5.c shows that most of the managers describe the relationship between importance of salary to job satisfaction as high (43%) and 28.3% rate this association in neutral terms (mean=3.5, mode=4, sd=1).

Figure 5.5 (A, B, C): Responses to Questions on Salary



A. How happy
are you with
your present
salary?

B. Relationship
between your
level of
performance and

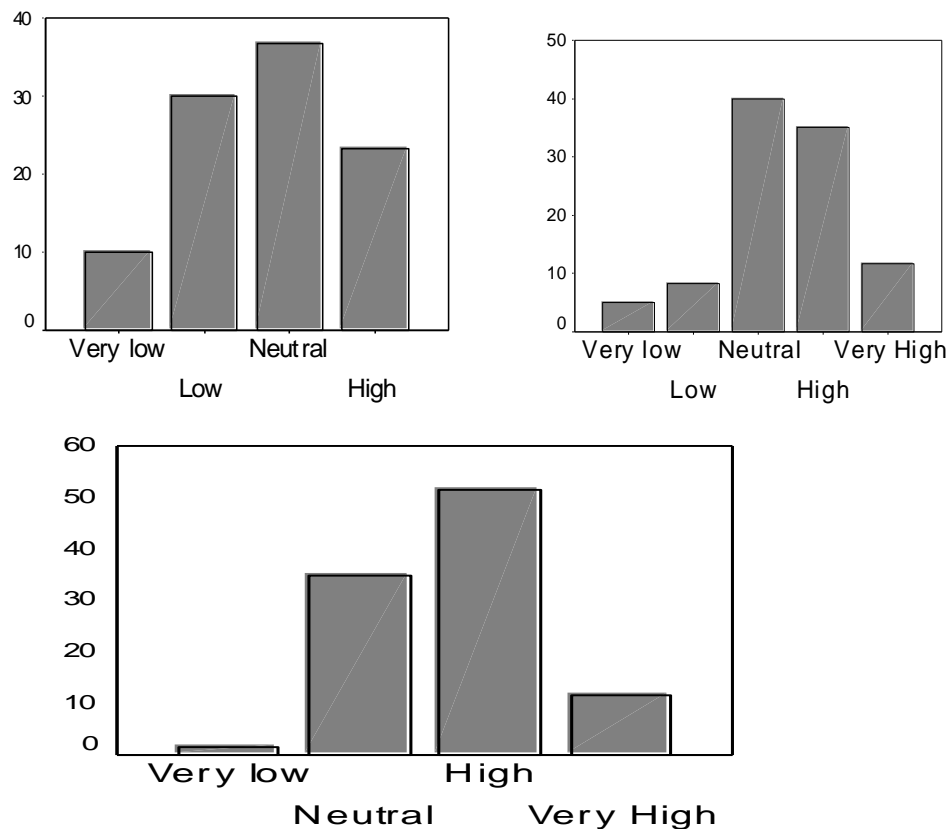
C. How
important is
your salary to
your job

your present satisfaction at
salary? work?

Source: Data Analysis

Figures 5.6.a, b & c represent managers' response to questions regarding Damdaran's fringe benefits. Overall as it can be seen from Figure 5.6. the majority of managers are responding "neutral" to "high" to the issue of fringe benefits. A closer inspection of figure 5.6.a. tells us that 36% of managers are responding neutral to how happy they are with Damdaran's fringe benefits, while some 30% of managers are actually reporting low level of happiness with Damdaran's fringe benefits (mean=2.7, mode=3, sd=0.94).

Figure 5.6 (A, B, C): Responses to Questions About Fringe Benefits



A. How happy
are you with
your company's
fringe benefits?

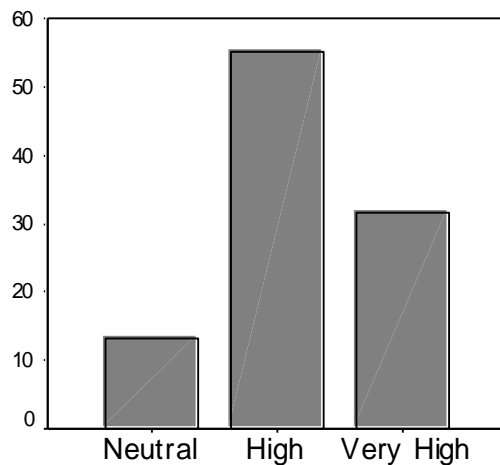
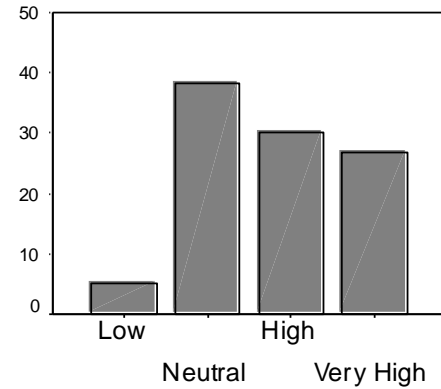
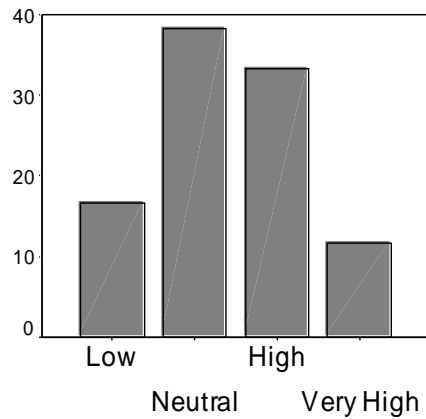
B. Relationship
between your
level of
performance and
the level of fringe
benefits

C. How
important are
the fringe
benefits for
you?

Source: Data Analysis

Figure 5.6.b. show that 40% of managers are reporting a neutral response to the relationship between performance and fringe benefits at Damdaran, while some 35% of managers are describing this relationship as high (mean=3.4, mode=3, sd=0.98). Figure 5.6.c. shows that 51% of managers feel that fringe benefits are important to them, while some 35% report a neutral response to this question (mean=3.7, mode=4, sd=0.74).

Figures 5.7 (A, B, C): Managers' Response to Questions Regarding Satisfaction with Working Condition at Damdaran



A. How satisfy
are you with
your working
condition?

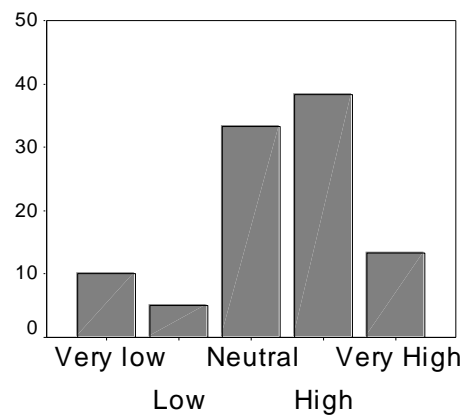
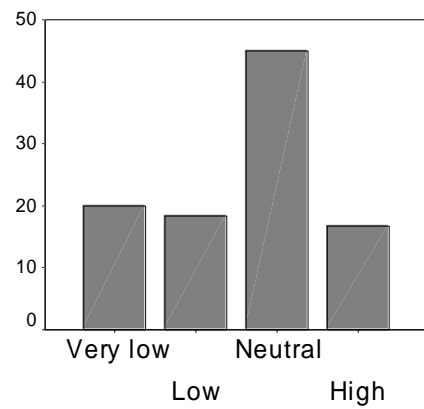
B. Do you think
your working
condition needs
improvement?

C. Working
condition affect
your
performance?

Source: Data Analysis

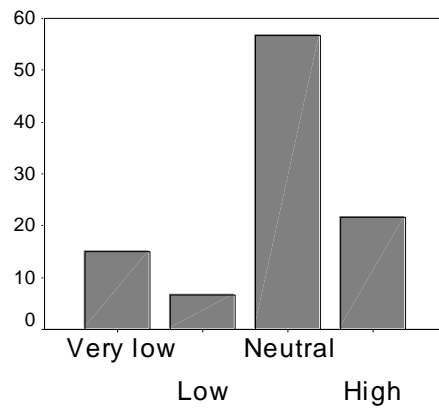
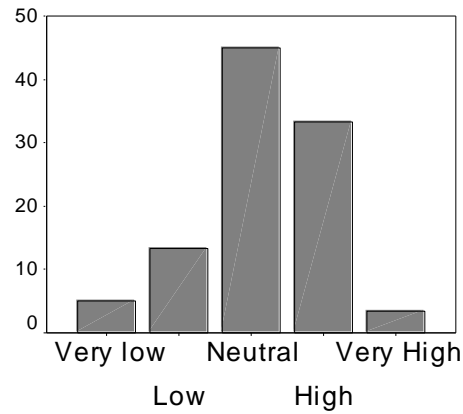
As it can be seen from figure 5.7.a, in response to “How satisfy are you with your working condition?” (mean=3.4, mode=3, sd=, 0.91), 38% of managers reported a “neutral” response, 33% reported a “high” response and 11% reported “very high”. Figure 5.7.b. shows us that in response to “do you think your working condition needs improvement?” (mean=3.7, mode=3, sd=0.9), 38% of managers reported a “neutral” response, 30% reported a “high” response and 26% reported “very high”. Answering to “does your working condition affect your

Figure 5.8 (A, B, C, D): Responses to Questions About Reward Policies at Damdaran



A. How comprehensive are your company's Human Resources policies and procedures?

B. To what extent do you feel that your company policies and procedures have impact on your performance?



C. How comprehensive are your company's Human Resources policies and procedures?

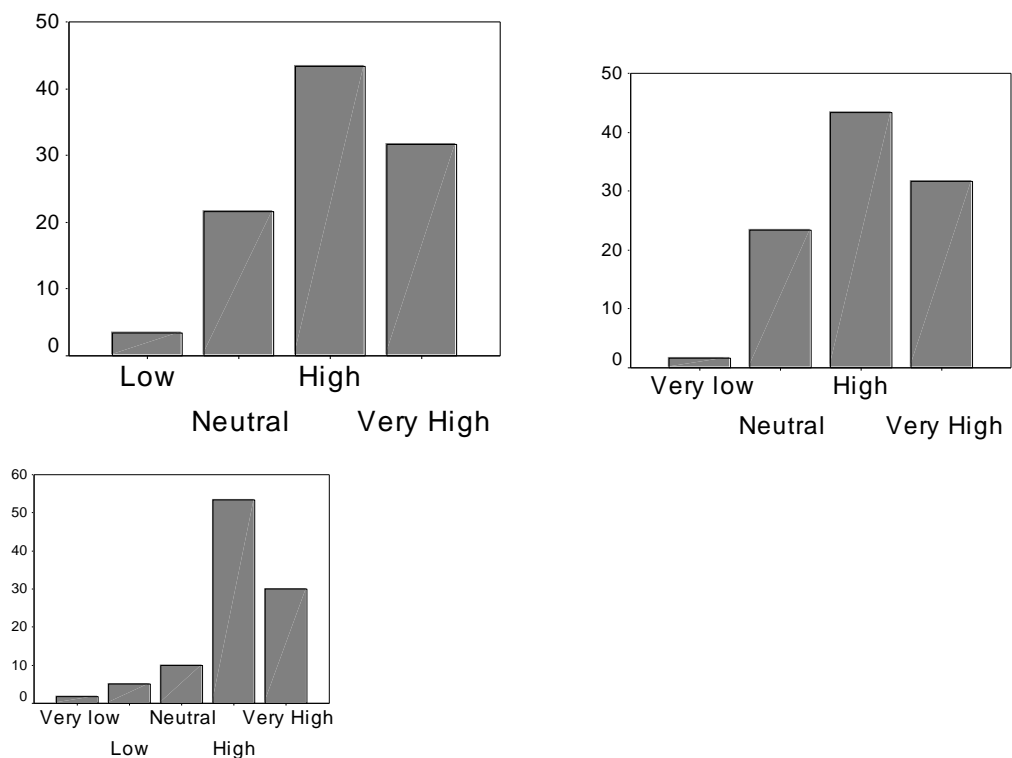
D. Have you been involved in formulating your company policies and procedure?

Source: Data Analysis

performance?" (mean=4.1, mode=4, sd=0.65), 13% reported a "neutral" response, 55% reported a "high" response and 31.7% responded very high.

As shown, Figures 5.8. a, b, c & d represent managers' response to questions regarding reward polices at Damdaran.

Figure 5.9 (A, B & C): Responses to Questions About Job Responsibilities



A. How would you describe the level of responsibility in your current position

B. How important are your job responsibilities in motivating you to work?

C. How much more responsibility would you like to have at work?

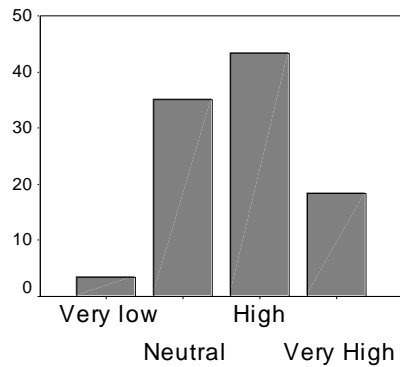
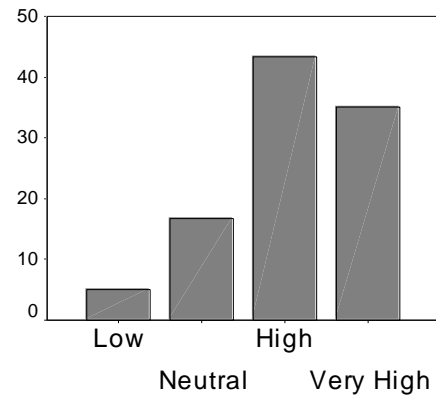
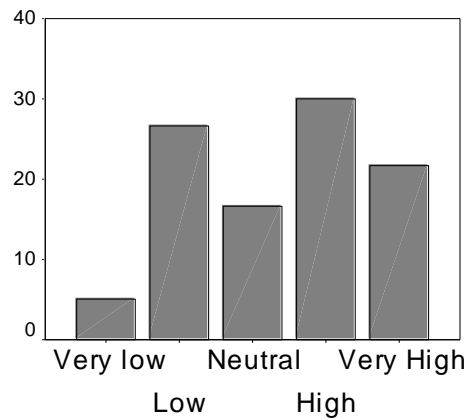
Source: Data Analysis

As shown in figure 5.8.a in response to “how comprehensive are your company's human resources policies and procedures?” (mean=2.58, mode=3 & sd=1), 45% of managers responded neutrally, 18.3% responded low, and 16.7% responded high. Figure 5.8.b. shows that in response to “to what extent do you feel that your company policies and procedures have

impact on your performance?,” (mean=3.4, mode=4, sd=1.1), 38% of managers responded high, 33% responded neutrally and 13% responded very high. Figure 5.8.c, demonstrates that in response to “in your opinion, can company policies and procedures motivate you toward your work?”, (mean=3.1, mode=3, sd=.89), 45% of managers responded neutrally, 33% responded high and 13% responded low. Managers responses to “have you been involved in formulating your company policies and procedure?” are depicted in figure 5.8.d.

As it can be seen from figure 5.8.d, 56% of managers responded neutrally, 21% responded high and 15% responded very low (mean=2.85, mode=3, sd=.94). Figures 5.9. As it can be seen from figure 5.9.a in response to “how would you describe the level of responsibility in your current position” (mean=4, mode=4 & sd=.82), 43% of managers responded high, 31% responded very high and 21% responded neutrally. Figure 5.9.b shows that in response to “how important are your job responsibilities in motivating you to work?”, (mean=4, mode=4, sd=0.84), 43% of managers responded high, 31.7% responded very high and 23% responded neutrally.

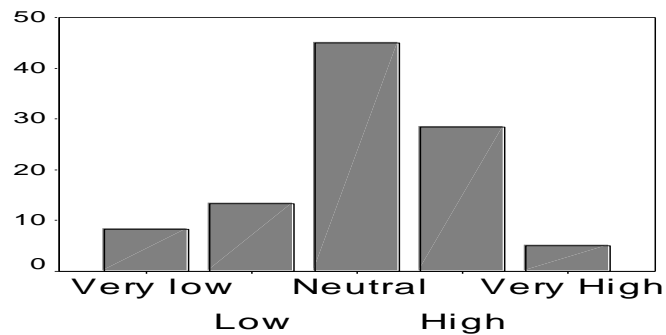
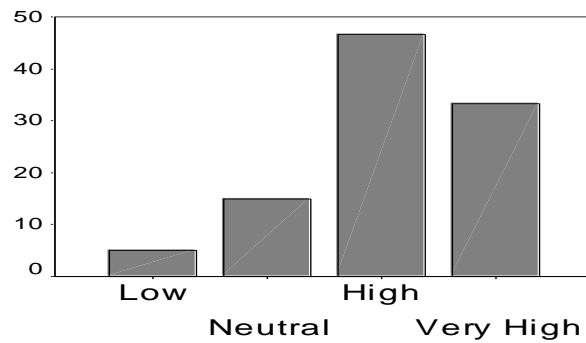
Figure 5.10 (A, B, C, D, E): Responses to Questions About Promotion at Work



A. How would you describe your chances for promotion and career advancement in your current position?

B. How much would a promotion/career advancement motivate you at work?

C. How would you describe the relationship between your performance and your promotion opportunities at work?



D. How important is it to have career advancement and promotion opportunities at work?

E. How effective would you describe the career development and promotion policy in your organisation?

Source: Data Analysis

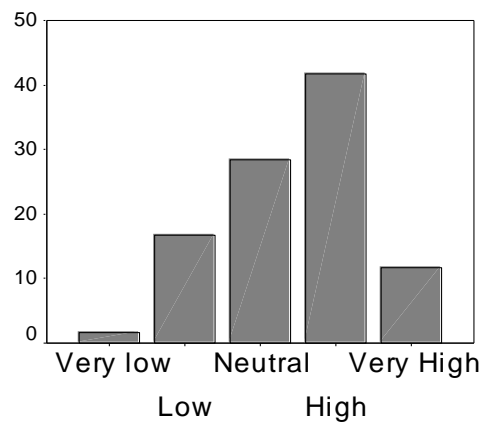
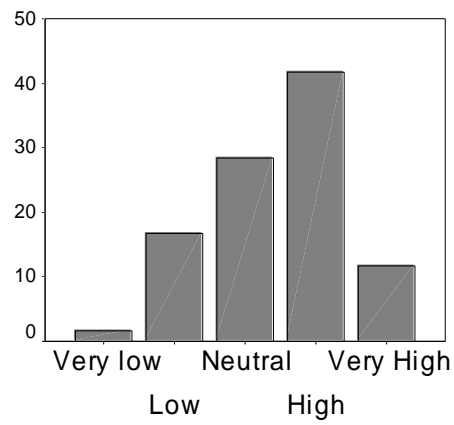
As seen in figure 5.9.c in response to “how much more responsibility would you like to have at work?” (mean=4, mode=4, sd=0.87), 53% responded high, 30.% responded very high and 10% responded neutrally. Figures 5.10. a, b, c, d & e shows managers’ responses regarding promotion of work at Damdaran dairy plant.

Data presented in figure 5.10.a shows that in response to “how would you describe your chances for promotion and career advancement in your

current position?", (mean=3.3, Mode=4 & sd=1.2), 30% of managers responded high, 21% responded very high, 16% responded neutrally and 26% responded low. Moving on to managers' response to "how much would a promotion/career advancement motivate you at work?" figure 5.10.b shows that (mean=4, mode=4, sd=0.85), 43% of managers responded high, 35% responded very high and 16% responded neutrally. Figure 5.10.c demonstrates that in response to "how would you describe the relationship between your performance and your promotion opportunities at work?" (mean=3.7, Mode=4 and sd=.88), 43.3% of managers responded high, 35% responded neutral and 18% responded very high. When asked "how important is it to have career advancement and promotion opportunities at work?" figure 5.10.d shows that (mean=4, mode, 4, sd=.83), %46.7 of managers responded high, %33.3 responded very high and %15 responded neutral. Finally, when asked "how effective would you describe the career development and promotion policy in your organisation?" (mean=3, mode=3 & sd=.98), figure 5.10.e shows that %45 of managers responded neutral, 28.3% responded high and %13.3 responded low.

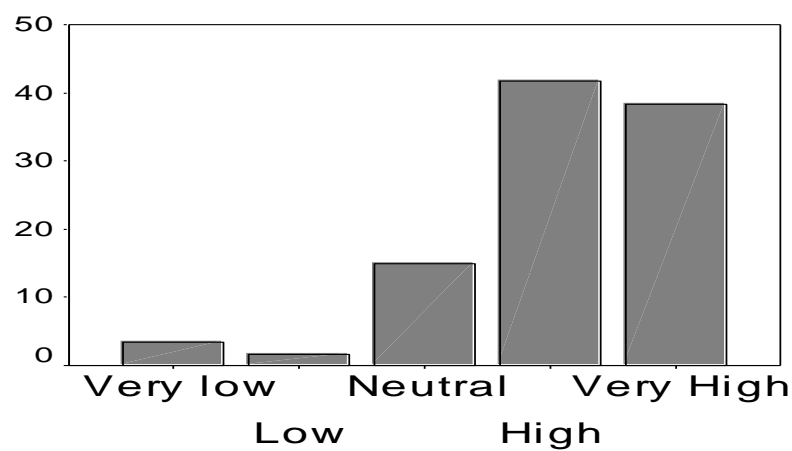
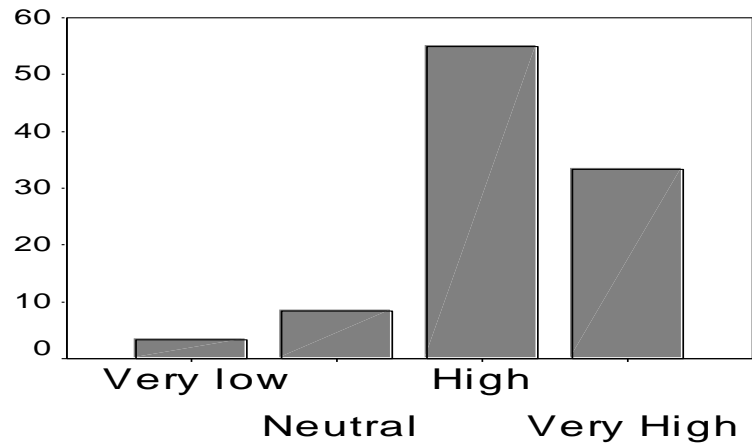
Managers' perception of the factor *variety at work* at Damdaran dairy plant is depicted in figures 5.11.a,b,c & d. These figures show that for managers' variety at work is a major issue affecting work. As it can be seen overall all four figures show that the ratings are toward the right end of the scale (high to very high) demonstrating the importance of variety at work for managers.

Figure 5.11 (A, B, C, D): Responses to Questions About Variety at Work



A. How would you describe the variety aspects of your work?

B. How much more varieties would you like to have in your work?



C. To what extent do you feel
that the variety in your work
affect your motivation at
work?

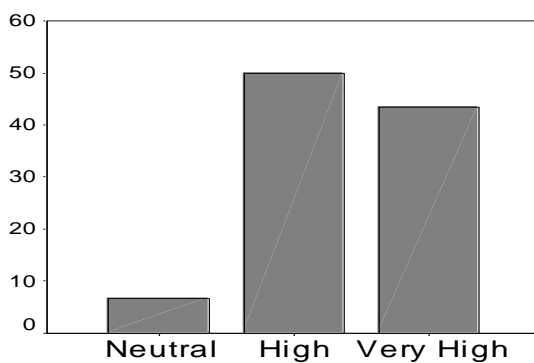
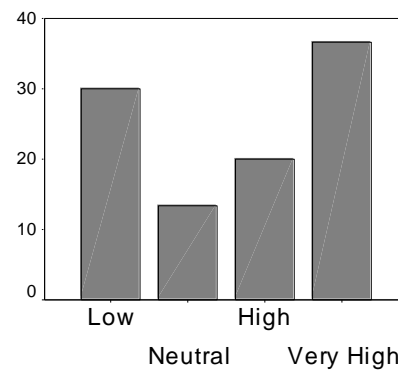
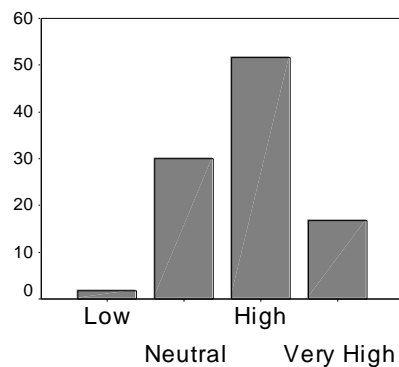
D. How important is the
variety in work to you?

Source: Data Analysis

A more detail inspection of data, as seen in figure 5.11.a shows that in response to “how would you describe the variety aspects of your work?,” (mean=3.45, Mode=4 & sd=.96) 41% of managers responded high, 28% responded neutral, 16% responded low and 11% responded very high. Managers’ response to “how much more varieties would you like to have in

your work?", (mean=4, mode=4, sd=.81) depicted in figure 5.11.b shows that more than 40% of managers reported that they would like to have more variety at work, 33% reported that they would like to have very high variety and 18% responded neutral to this questions. Figure 5.11.c demonstrates that in response to "to what extant do you feel that the variety in your work affect your motivation at work?" (mean=4.15, Mode=4 and sd=.84), 55% of

Figure 5.12 (A, B,C): Responses to Questions About Nature of Job



A How interesting
is your job?

B. To what
extent do you
feel that the
interest in your
work affect your
level of
motivation at

C. How
important is
it to you to
have an
interesting
work

work?

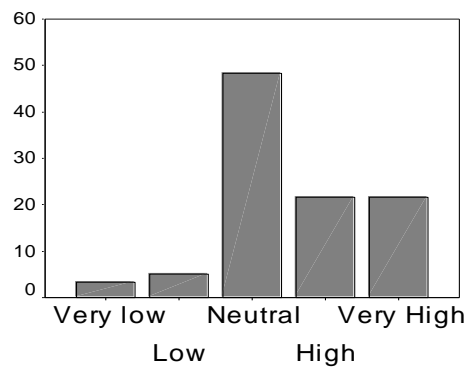
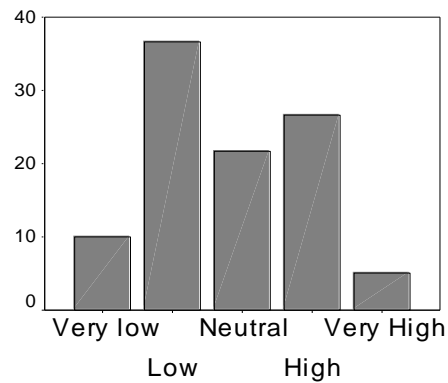
Source: Data Analysis

managers responded high and 33% responded very high. Figure 5.10.d shows that when asked “how important is the variety in work to you?”, (mean=4, mode, 4, sd=83), 41.7% of managers responded high, 38.3% responded very high and 15% responded neutral. Manager’s response about nature of job at Damdaran dairy plant is depicted in figures 5.12, a,b & c

As it can be seen from figure 5.12.a in response to “how interesting is your job?”, (mean=3.83, mode=4, sd=0.72), 51% of managers responded high, 30% responded neutral and 16 percent responded very high. Figure 5.12.b shows that when asked “to what extent do you feel that the interest in your work affect your level of motivation at work?”, (mean=3.63, mode=5, sd=1.26), 36% of managers reported a very high relationship between interest in work and motivation at work. Note that the mode value of this distribution is actually 5, that is, “very high”. Figure 5.12.c demonstrates managers’ response to “how important is it to you to have an interesting work?” (mean=4.37, mode=4, sd=0.61). As it can be seen the majority of managers reported high (50%) to very high (43%) responses to this questions about importance of having interesting work.

Results of managers views of challenging aspects of job are shown in 5.13 a & b. As shown a good segment of managers are responding in neutral terms when asked about how challenging is their work.

Figure 5.13 (A, B): Responses to Questions on How Challenging is your Job



A. How challenging is your job?

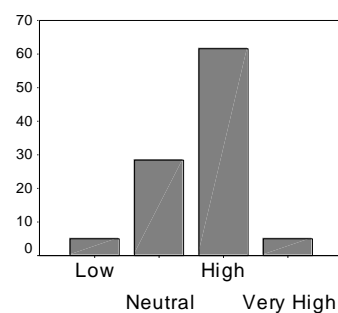
B. To what extent do you feel that the challenge in your work affect your level of motivation to work?

Source: Data Analysis

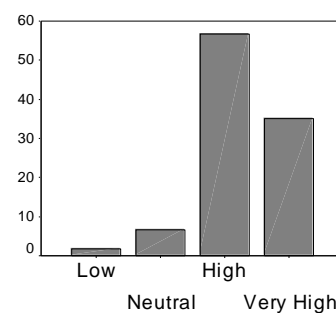
As it can be seen from figure 5.13.a. in response to “how challenging is your job?” (mean=2.8, mode=2, sd=1.1), some 36% of managers’ report low level of challenge, 26% report that their job involve high level of challenge and 26% are reporting neutral level of challenging jobs. In response to the question “to what extent do you feel that the challenge in your work affect

your level of motivation to work?”, (mean=3.5, mode=3, sd=1), 48% of managers reported neutral, 21% reported high and 21% reported very high. Managers’ response to questions regarding recognition at work is presented in figures 5.14, a, b, c, d &e.

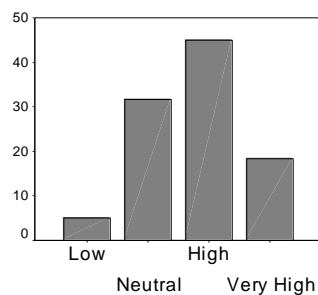
Figure 5.14 (A.B.C.D.E): Responses to Questions Regarding Recognition at Work



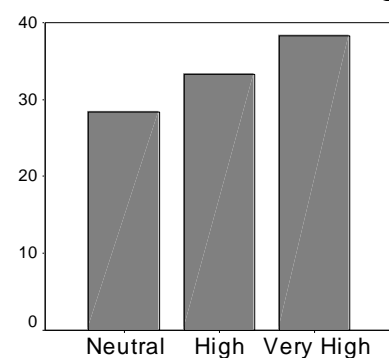
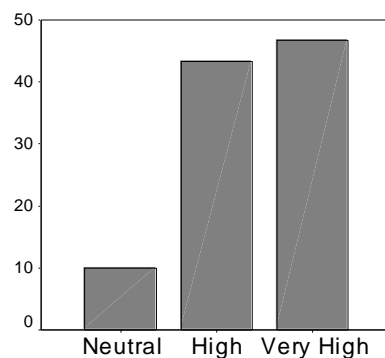
A. How would you describe the level of recognition that you receive in your work?



B. How much recognition would you like to receive at your work?



C. Describe the relationship between your level of performance and recognition?



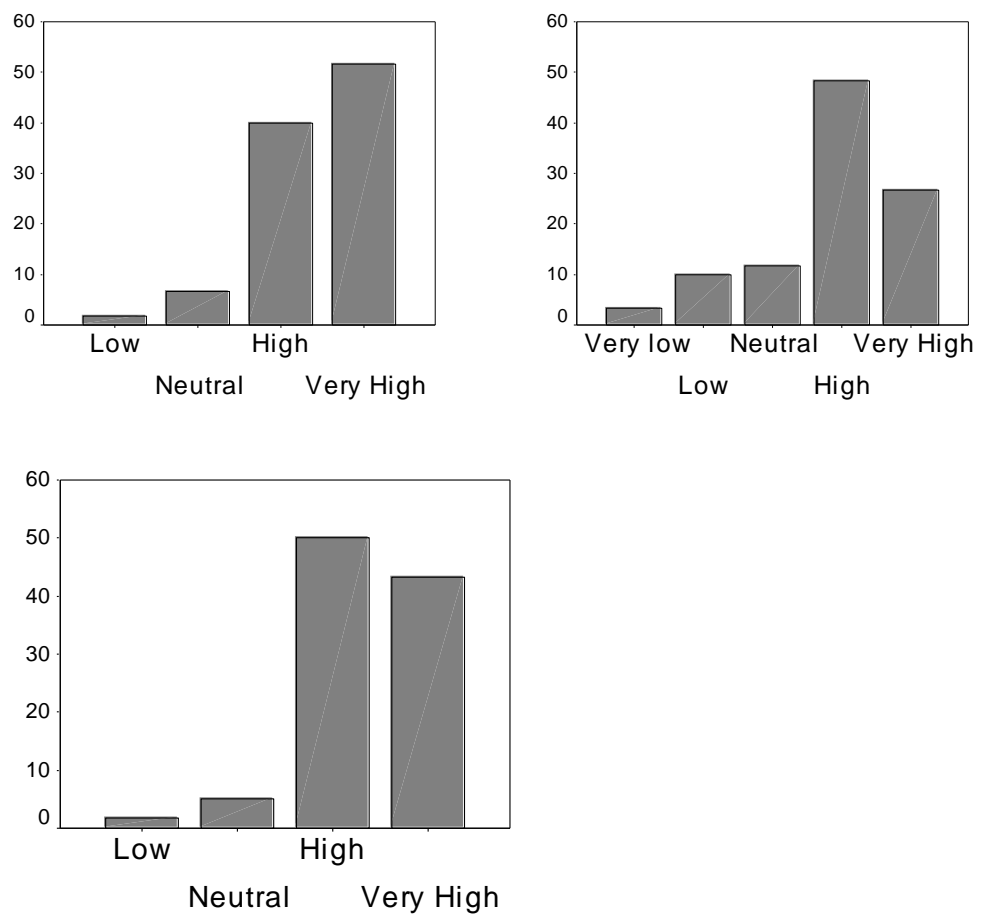
D. How important is recognition to you?

E. To what extent does recognition at work affects your motivation?

Source: Data Analysis

As it can be seen from figure 5.14.a in response to “how would you describe the level of recognition that you receive in your work?”, (mean=3.6, mode=4, sd=0.66), 61% of managers reported high level of recognition and 28% reported neutral level of recognition. Figure 5.14.b shows that in response to “how much recognition would you like to receive at your work?”, (mean=4.2, mode=4, sd=.65), 56% of managers reported that they would like to receive high level of recognition and 35% reported very high. Figure 5.14.c shows managers response to “describe the relationship between your level of performance and recognition you receive?” (mean=3.77, mode=4, sd=.81). As it can be seen 45% of managers reported high, 31% reported neutral and 18% reported very high. Figure 5.14.e shows managers response to “how important is recognition to you?” (mean=4.3, mode=5, sd=.66), most of the managers (46%) reported that it is very important to them (that is they checked the very high option) and some 43% responded high. Finally, as it can be seen from figure 5.13.e. in response to “to what extent does recognition at work affects your motivation?” (mean=4.1, mode=5, sd=.82), 38% of managers reported very high, 33% reported high and 28% reported neutral. Analyses of manager’s perception of their achievement at Damdaran dairy plant is shown in figures 5.15, a, b & c.

Figure 5.15 (A, B. C): Responses to Questions Regarding Achievement at Work



A. How would you describe your desire for achievement?

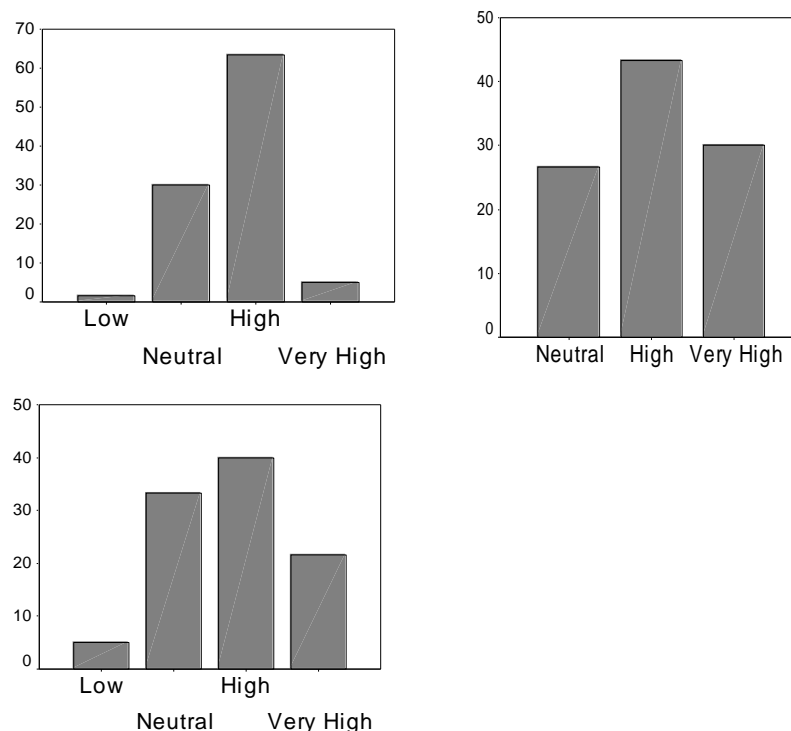
C. To what extent does the availability of achievement opportunities affect your motivation?

D. How important are opportunities for achievement to you?

Source: Data Analysis

As it can be seen from figure 5.15 a. in response to “how would you describe your desire for achievement?”, (mean=4.4, mode=5, sd=.7), the majority of managers (51%) reported a very high level of desire for recognition at work, 40% reported very high and only 6% responded neutrally to this question. Figure 5.15.b shows analyses of managers’ response to the question “to what extent does the availability of achievement opportunities affect your motivation at work?” (mean=3.8, mode=4, sd=1). As it can be seen, some 40% responded high and some 26% responded very high. This indicates that most of the managers recognize the importance of recognition in affecting their performance.

Figure 5.16 (A, B, C): Responses to Questions Regarding Job Status at Work



A. How would you describe your status at work?

B. How important is status at work to your motivation?

C. Describe the relationship between performance and your status at work?

Source: Data Analysis

Finally, figure 5.15.c show managers response to “how important are

opportunities for achievement to you?” (mean=4.3, mode=4, sd=.66). As it

can be seen the majority of managers reported high (50%) and very high

(43%) levels of importance between opportunities and achievement.

Managers responses to job related status is analysed in figures 5.16, a, b &

c.

As it can be seen from figure 5.16.a in response to “how would you describe

your status at work?” (mean=3.7, mode=4, sd=.58), 64% of managers

reported high status at work and 30% responded that their status is neutral .

When asked “how important is status at work to your motivation”, it can be

seen from figure, 5.16.b (mean=4, mode=4, sd=.76), that most of the

managers reported high (43%) and very high (30%). Figure 5.16.c show

results of managers’ response to “how would you describe the relationship

between your level of performance and your status at work?” (mean=3.7,

mode=4, sd=.85). As it can be seen 40% of managers reported a high, 30%

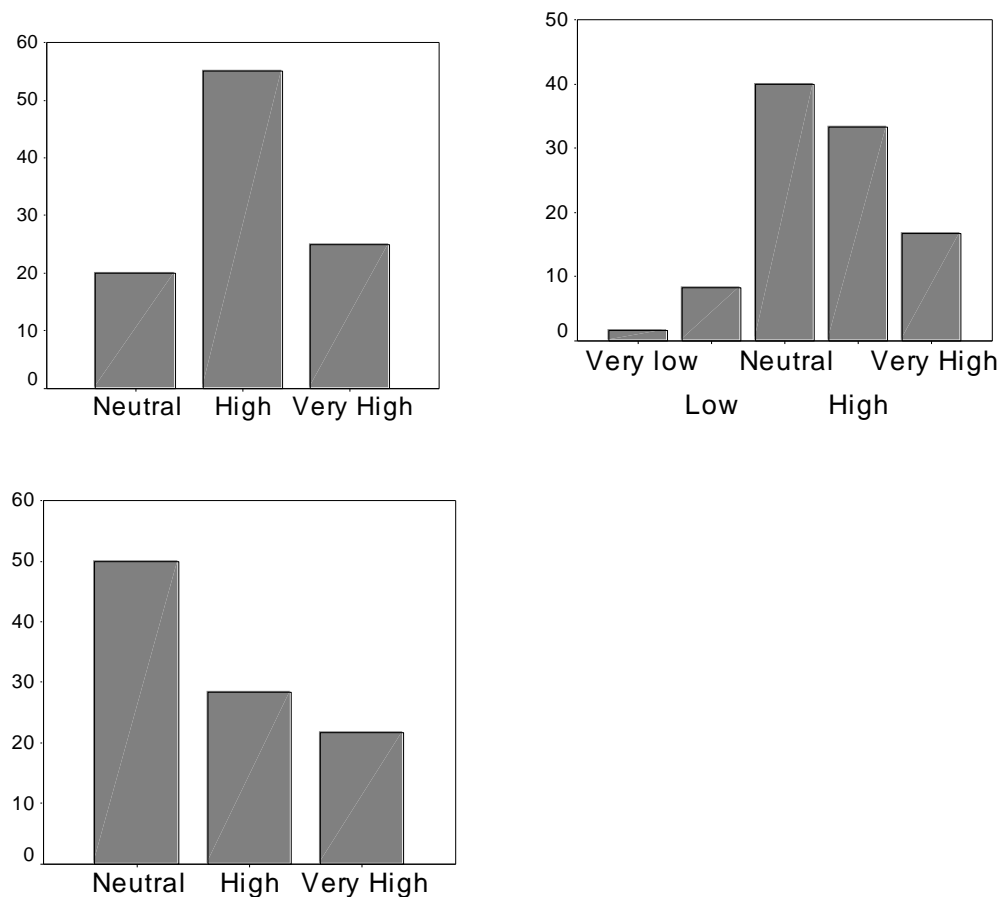
reported neutral and 21% reported very high relationship between

performance and status at Damdaran dairy plant.

5.4. Some Further Analyses of Ratings of Performance, Motivation, Job Satisfaction and Training

Managers were asked about factors that affect their performance, motivation and job satisfaction. Figures 5.17 a, b, c, d, e, f & g demonstrate these results.

Figure 5.17 (A. B. C. D. E. F. G): Responses to Questions on Performance and Motivation



A. How would you rate your performance at work?

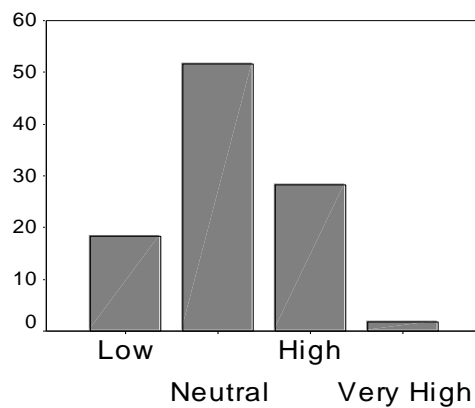
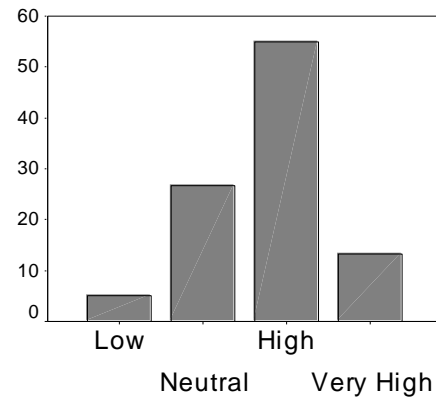
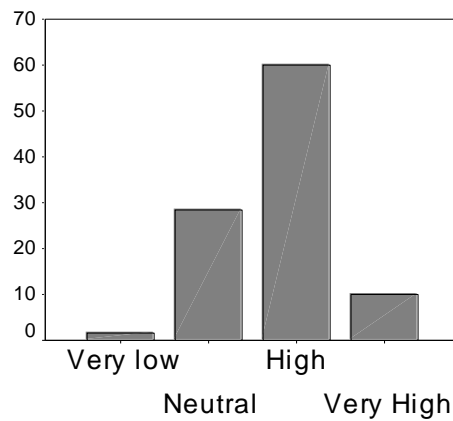
B. Is reward policy of your organization influencing your performance at work?

C. How would you rate the influence of your motivation on your performance at work?

work?

performance at

work?



E. What is the impact of the training you received (if any) on your motivation to work?

F. How would you rate the effect of the training you have received on your level of job satisfaction?

G. How would you rate your job satisfaction at work?

Source: Data Analysis

Managers were asked to rate their own performance at work, that is, they were asked to respond to: "how would you rate your performance at work?".

As it can be seen from figure 5.17. a (mean=4.0, mode=4, sd=.67), 55% rated their performance high and 25% very high. When asked, “is reward policy of your organization influencing your performance at work?” (mean=3.55, mode=3, sd=.93), results in figure 5.17.b. show that 40% reported neutral, 33% reported high and 16% reported very high. When asked “how would you rate the influence of your motivation on your performance at work?”, it can be seen from figure 5.17.c (mean=3.72, mode=3, sd=.80), that 50% responded neutrally, 28.3% responded high, and 21% responded very high. In answering “what is the impact of the training you received (if any) on your motivation to work?”, it can be seen from figure 5.17.e (mean=3.52, mode=4, sd=1.23) that 36% responded high, 25% responded neutral, 25% responded neutral and 11% responded very low. When managers were asked “how would you rate the effect of the training you have received on your level of Job satisfaction?”, figure 5.17.f (mean=3.77, mode=4, sd=.74), shows that 55% responded high, 25% responded neutrally, and 12% responded very high. Finally, when managers were asked “how would you rate your job satisfaction at work?”, figure 5.17.g (mean=3.13, mode=3, sd=.72) shows that 51% responded neutrally, 28% responded high and 18% responded low.

The majority of the variables in this study were measured on an interval scale (a 5 point Likert scale was applied in this study). While the Person correlation can be used as a test of association between two interval variables, the statistical assumptions/requirements underlying Pearson correlation are (1) “a bivariate normal distribution – that is, the data are from

a random sample of a population where the two variables are normally distributed in a joint manner” (Blumberg, 2014, p. 591), (2) there is a linear association and that (3) there are no significant out layer cases. In order to avoid breaching any one of these underlying statistical assumptions, which would be the case in this sample (especially the requirements for bivariate

Table 5.6. Spearman Rank Correlations demonstrating significant two tale relationships

	How would you rate your performance at work?	Significance levels
How would you rate the influence of your motivation on your performance at work?	.37	0.003
Is reward policy of your organization influencing your performance at work?	.48	0.000
Job Status: How would you describe the relationship between your level of performance and your status at work?	.53	0.000
Achievement: How important are opportunities for achievement to you	.33	0.008
Recognition: How would you describe the relationship between your level of performance and your status at work?	.33	0.002
Challenges of Job: To what extent do you feel that the challenge in your work affect your level of motivation to work?	.40	0.001
Nature of Job: How interesting is your job?	.34	0.008
Promotion: How much would a promotion/career advancement motivate you at work?	.42	0.001
Job Responsibilities: How much more responsibility would you like to have at work?	.39	0.002
Do you feel this training you have received has impacted your performance?	.42	0.001

Contextualising work and Motivation: Reflecting on the past 10 year, HR policies and procedures have been affected by the political climate?	.50	.000
--	-----	------

Source: Data Analysis

normality of distributions and existence of out layer cases), Spearman rank order correlation was deemed more suited.

The reason is that Spearman's rank-order correlation is "based on the concept of concordant and discordant pairs. None of these statistics requires the assumption of a bivariate normal distribution, yet by incorporating order, most produce a range from -1.0 (a perfect negative relationship) to $+1.0$ (a perfect positive one)...These characteristics allow the analyst to interpret both the direction and the strength of the relationship" (Blumberg, 2014, p, 608).

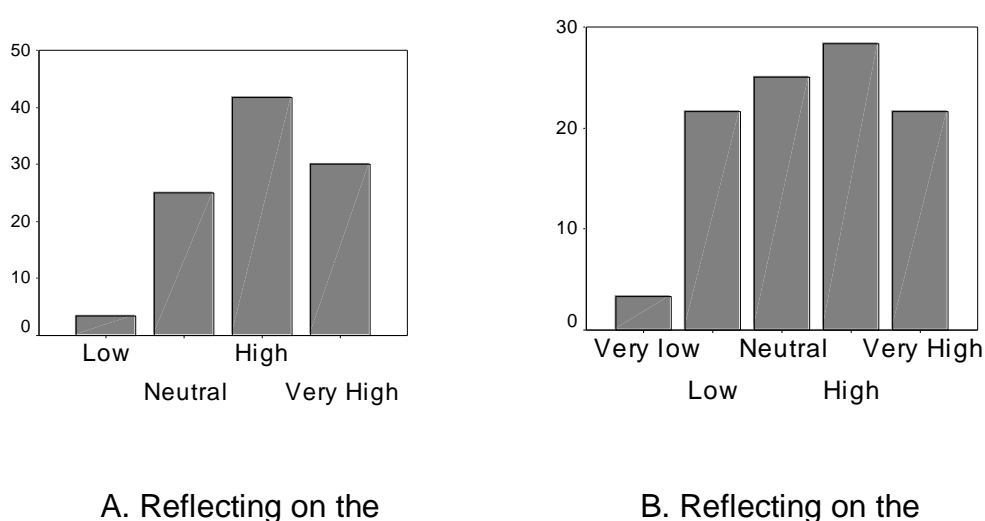
In order to tap into if and how hygiene, motivators and socio-economic-cultural factors predict managers performance, Spearman rank correlation were hence ran on these variables. Table 5.6 provides a list of results of Spearman rank correlations that yielded a two tale significant level. As it can be seen from table 5.6 managers' rating of their own performance, (i.e., in response to "how would you rate your performance at work?"), can very well, i.e., significantly, be predicted by a number of motivators, the training level managers have received and one socio-economic-cultural factor (the last variable listed in the table). Take a note that job status, Damdaran's past 10 year HR policies as well as procedures affected by the political climate,

company reward policy and promotion can each account for some %25 of variation in managers' reported level of performance (i.e. e.g., with a correlation of .53 between job status and performance we can account for $(.53 \times .53)$ %28 of variation in reported performance at work.

5.5. Contextualizing Work at Damdaran Dairy Plant: Social and Economic Factors

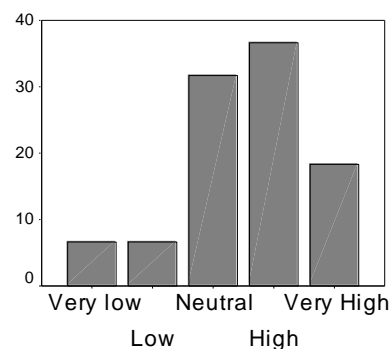
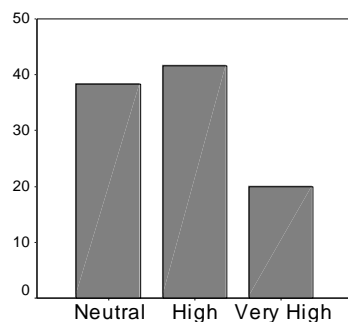
Managers were asked a number of questions about the effects of social and economic factors on performance, motivation and human resources policies. A noticeable trend that emerged from these questions is a good segment of managers providing neutral answers to these questions. The following analyses provide a good illustration of the overall trends that came across from these questions.

Figure 5.18 (A, B, C, D): Responses to Questions on Contextualizing work at Damdaran



economic condition during
the last 5 years, how would
you
describe the level of your
perceived stress

past 10 year, HR
policies and
procedures have been
affected by the political
climate



C. Reflecting on the period
post-1979 revolution, the
political climate has affected
the way the management
treat their staff

E. Reflecting on the
period post-1979
revolution, the political
climate has affected
my motivation

Source: Data Analysis

When asked “reflecting on the economic condition during the last 5 years, how would you describe the level of your perceived stress,” (mean= 3.98, mode=4, sd=.83), figure 5.18.a shows that some 43% felt that economic conditions has actually increased their perceived stress at work, 30% rated this influence as very high and 25% responded neutrally. Thus, economic

condition of the past 5 years has certainly increased managers' perceived level of stress at Damdaran dairy plant.

Furthermore, as it can be seen from figure 5.18.b, when managers are asked "reflecting on the past 10 year, HR policies and procedures have been affected by the political climate", (mean=3.4, mode=4, sd=1.1), 28% responded high, 25% responded neutrally and 21.7% responded low.

Figure 5.18.c shows results of analysis of managers' response to "reflecting on the period post-1979 revolution, the political climate has affected the way the management treat their staff", (mean=3.8, mode=4, sd=.75). As it can be seen from figure 5.18.c, some 41% of managers responded high and some 38% responded neutrally. Finally, figure 5.18.e shows analyses of managers response to "reflecting on the period post-1979 revolution, the political climate has affected my motivation" (mean=3.5, mode=4, sd=1). As it can be seen some 31% responded neutrally, some 36% responded high and some 18% responded very high.

PART II: QUALITATIVE ANALYSIS

5.6. Analyses of Interview Data

Based on the mixed method approach discussed previously in depth interviews were conducted with twenty managers (ten senior managers, five middle managers and five junior managers) to form a detailed understanding of the underlying forces that affect manager motivation and performance. Attention was paid to unveiling cultural and economic factors that influence the daily reality of managers. The interviews were semi-structured with the interviewees responding to some ten questions. The underlying idea was to allow the interviewee paint a more accurate detailed view of factors that affect the motivation. The interview questions hence addressed issues related to the economy, socio-political culture affecting Damdaran after the 1979 Islamic Revolution and the current global economy affecting Damdaran. It is important to bear in mind, that, as one of the managers put it, “our factory is a very big factory; it is one of the biggest factories in the country for dairy productions”. Thus the objective in the following is to wave

the main lines of thoughts of managers into a broader whole in order to better contextualize work, performance and motivation at Damdaran. The following provides some interesting quotes reflecting some of the managers' thoughts on the economy and its impact on performance and motivation. Since the involvement of the female managers in Damdaran provides an interesting perspective in a final section gender analysis based on the qualitative data collected will be presented.

Manager M.S.1. *“Economy has direct effect on mental behaviour of the people; in another word culture is directly connected with economy.”*

Manager F.J.15. *“The most basic need for humans kind is a descent house and also having a secure and descent life, if we as humans don't reach that point, obviously we can't focus on our work, and we are not motivated“*

Manager M.S.4. *“Islamic laws, sanctions, control of the price in the Iranian market”*

One of the most interesting aspects of managers' description of thoughts about the economy, motivation and performance is reflected in many of the managers providing a view that places the economy as the pillar upon which the rest is based. Noteworthy is the aforementioned quote from manager S1

at Damdaran, who, as it can be seen, argues that the “economy has direct effect on mental behaviour” and then goes on construing of culture as the masses’ mental behaviour and hence sees a direct effect of the economy on mental behaviour of the masses—that is, as he sees it, on culture.

Another interesting aspect that echoes throughout many of the views of the interviewees is the link between work motivation and family responsibility. Interestingly a number of managers construe of the objective of work in relation to fulfilling the breadwinner responsibilities. As it can be seen from the above quote from manager b, “the most basic need for humans’ kind is a descent house”. This manager then goes on construing of the purpose of work as fulfilling this basic need, that is, as he sees it, “a descent house and also having a secure and descent life”. As it can be seen from the following direct quotes several other managers at Damdaran adopt the classic breadwinner approach to work placing the purpose of work as serving the broader objective of family. In response to the question asking them how they are affected by the economy and how the broader economic and social forces affect their motivation at work some of the managers provided the following arguments:

Manager F.M.18. *“Security of work and family, reward system is very important.”*

Manager M.S.3. *“All these factors have a great impact on my future and also my family so I have to keep*

monitoring all these at the same time” (here the managers is referring to the socio-economy and cultural factors).

Manager M.S.4. *“Well as human being money plays a big role in my life, since I am married I have to take care of a family, I also don’t see any clear future for my family.”*

As it can be seen from the above passages, work motivation is cast in relation to economic factors affecting the family. Certainly work motivation and the effect of economy on work is seen in relation to its final effect, viz., the effect on family.

In response to what they feel is missing in their work and what can be done to improve work motivation, managers responses demonstrate interesting steps needed for improving performance at work. Some of the managers’ concerns are voiced as:

Manager M.S.4. *“Yes. If the economy gets better the organization would be able to have more policies for making us happy”*

Manager F.J.18. *“It really sometime stops my work, it has a very bad effect on me during the work hours, if I be happy in the work I would produce a lot more.”*

Manager M.S.5. *“Money, respect”*

Manager F.S.17. *“Assessment of happiness of the workers is a need for our organization (GSM), it has to be annually.”*

Manager M.M.7. *“Like the job. Believing the job is fair, economic and job security, mental security”.*

Manager F.S.18. *“If the economy gets better the organization would be able to have more policies for making us happy”*

As it can be seen from the above quotes, happiness, “making us happy”, “mental security” and the need for “assessment of happiness” are key drivers that are underlined as missing and in need of improvement in order to address work motivation. As it can be seen, in fact, one of the managers (manager I quoted above) argues for assessing of happiness of workers on annual bases. Certainly, work motivation and improvement of performance are construed in relation to monetary value of work (salary and benefits) and level of happiness experienced at work.

Finally, in contextualizing work motivation in relation to the prevailing social and political landscape managers' viewpoints in the following are noteworthy:

Manager M.S.4. *"Well revolution changed everything, every single thing, so obviously it has the laws of the country, so that would be the first. But the economy after revolution also became worse, so that's another change"*

Manager M.S.2. *"Islamic laws, sanctions, control of the price in the Iranian market"*

Manager F.J.16. *"In Iran politics especially revolution has impact on every aspect of life."*

Manager M.S.16. *"Revolution gave workers more right"*

5.7 Gender Analysis

5.7.1 Main Issues Impacting Gender and Views on Motivation

As discussed in earlier chapters, historically Iran has been characterised by its traditional values which have hitherto classed the Iranian society as being 'masculine' with emphasis placed on the greater involvement of men in work organisations especially at management level. However, the results of the

present study, as shown above, suggests that in Damdaran 27% of the managerial staff were female (see Table 5.1). This statistic composes a notable share of the full sample of managers at the Damdaran dairy plant in Iran.

Observations shows that there are considerably less female staff, especially at management, work in government owned dairy factories. Again this provides a notable issue. That although Islamic values promote equality between male and female and indeed, it has been the liberating characteristic of Islam that female should be treated 'fairly' and with respect and dignity. However, constitutionally in Iran women seem to have less 'right' as their male counterpart. It must also be mentioned that from employment point of view both genders enjoy the same right. It could even be argued that women enjoy more right than their male counterpart for example in case of child bearing. In Iran, women are legally entitled to take four months before and two months' time off from the work. One of female managers explained that;

“ ...after my first child, I worked nine month part time WITH FULL PAY” (F.M.18).

This suggests that since Islamic revolution employees, especially females, enjoying more 'rights' at work.

One of the findings of the research indicates that with regard to promotion and career development the issue 'glass ceiling' still prevail. The gender

based analysis demonstrates that 90% of the top management in Damdaran are male whereas only 3 out of 9 senior managers were female. This ratio becomes greater as gender based composition of the 'middle and junior' are considered. As a female managers explained;

“There are more of us in middle and junior positons than in the senior positions. Having said that.. there even less female managers in government factories than in private one”(F.S.17).

The researcher's observations suggest that the involvement of the female in organisations and in particular private sector is on the raise. As another female managers remarked;

“women seem to be more eager to assert themselves and find their position in the society, and why not, we are as good if not better than men...” (F.J.16).

Another manager enthusiastically explained that;

“...we still have long way to go to redress the ‘gender balance’ in our organisation, but we will get there...” (F.S.17.).

This comment suggests that a more gender balanced employment ratio is expected in future by the female population. A male senior manager also concurred;

“.. Women are as good managers as men.. even better when it comes to issues of dealing with conflict and leadership. They tend to deal with work related issue with sensitivity and dealing with issues at work in an even handed manner...” (M.S. 5).

5.7.2 Sanctiond and its Consequences

The issue of sanctions has impacted on most aspect of life in Iran. The devaluation of the currency to one –third its original values has meant higher inflation and higher cost of living. This has naturally forced the females to consider higher education to secure employment. The rising number of enterprises (private sector) has provided employment opportunities for women to supplement their partner’s income.

“I felt that we both [husband and wife] need to work to make sure that our expenses are paid for. There was a time that there was no need for women to work.. but those days are long gone.. Everyone has to work” (F.J.16).

The findings of the study shows that female managers like their counter part are aware of the presence of stress at work which related to the worsening economic conditions in Iran:

“As a female senior manager I feel that past few years economic changes have been very tough on us all. At the office

I feel the stress and try to manage it as good as I can trying not to spread it down to those I supervise” (F.S.17).

This suggests that economic and other environmental factors affect the work relationships.

“people are stressed out... as a manager [female] I have to show more consideration to my staff because I am aware that they are struggling to cope with economic conditions” (F.S.17)

5.7.3 Economy and Job satisfaction

The issue of job satisfaction is often perceived as ‘happiness’ by the employees and managers in Damdaran. As one commented;

“Assessment of happiness of the workers is a need for our organization, it has to be done annually” (F.J.15)

The female managers seemed to be more aware of the importance of happiness at work. The exercise of emotional intelligence on their part has enabled them to deal with the discontented employees with empathy and greater understanding. As one middle manager suggested;

“it is not always the work related issues which make the people upset. Most of these feeling comes from outside... life is hard”. (F.M.18).

In Damdaran, the reward system is equally applied to both male and female managers. However, as shown female managers like their counterparts perceive the salaries and other fringe benefits as motivators rather than hygiene.

As it can be seen from the above quotes, work motivation and work performance are contextualized in relation to the effects of the Islamic revolution of 1979 and the fundamental changes it has introduced. Throughout the interviews the recent worsening of the economy is cast in relation to the sanction Iran has been experiencing. The general view emerging from the interviews is that Iran's economy has been experiencing difficulties due to international sanctions. Control of the prices introduced by the government is a factor a manager raises as having changed the business climate and another manager's points to the Revolution having improved worker's rights.

5.8. Conclusion

Results showed that a significant proportion of managers are responding neutrally to questions readings hygiene factors at Damdaran. This certainly indicates that a noticeable proportion of managers are satisfied with underlying factors that reflect hygiene at Damdaran. Results showed a sharp difference between response trends to items representing hygiene and motivators. While in response to many questionnaires items that represent hygiene factors managers choose neutral response, in response to items that represent motivators factors managers are choosing the "high" to very

“high” responses. Findings also show that managers reported a high relation between performance and motivator factors such as job status and recognition. Interviews with managers certainly demonstrated that socio-economic and cultural factors affect manager’s sense of security managers. Interviews with managers demonstrates that poor economic condition affect the sense of security managers feel and hence when they construe of work motivation they tie this to the family, that is, it is the security of the family and providing for the family that are at the stake and are affected by the economy.

CHAPTER SIX: FACTORS AFFECTING MOTIVATION OF MANAGERS AT DAMDARAN

6.1. Introduction

Analysis of the qualitative and quantitative data adequately answer the research questions posed earlier and supports the adopted framework of the analysis posed by Analoui (1999, 2010). Managers' perception of motivation is largely determined by contextual factors including the wider social-economic and political factors, in particular cultural factors that surround managers. Thus, as posed earlier, without understanding cultural forces, such as religion and traditional values it would have been impossible to gain a proper understanding of managers' behaviour, their perception and motivation. Therefore, in this chapter some of the major groups of factors which affect managerial behaviours and perceptions are discussed. These are: a) some of the key demographic characteristics of managers; b) perception of hygiene and motivators and c) the wider contextual factors such as impacts of culture and religion.

6.2 .A Reflection on Managers' Characteristics

6.2.1. Age

As the findings presented in the foregoing chapter show, more than sixty percent of managers are younger than 45 years. This data is important in light of the history of Damdaran as a business. Damdaran initiated its main endeavour as a business in 1984. Thus, overall the company has been in

operation about 30 years and the majority of its management are younger than 45 years of age.

6.2.2. Years of Experience and Seniority

As the findings presented in the foregoing chapter show some thirty percent of managers have been working at the Damdaran anywhere from 11-15 years. Managers who have worked at the Damdaran anywhere between 5-10 years compose twenty six percent of the total samples. Some 18 percent of the total sample of managers has worked at the Damdaran up to five years. Thus, the main point to take note here is that in light of some 30+ years age of Damdaran as a business, a major segment of managers surveyed and interviewed here have worked at Damdaran only in the recent decade of the company's life. This is important to note because fundamentally a good segment of the findings on hygiene and motivator discussed in the following sections reflect views of a sample of managers about processes at Damdaran as a mature company.

6.2.3. Gender and Employee Composition

Another interesting point to take note of is presentation of women working for the company in the company's website (Damdaran History, 2014). Furthermore, it is interesting to see that at Damdaran, there is a preference for older and more mature staff. The distribution of managers in all three categories, i.e., junior, middle and senior management, clearly show a relationship between age and the positions of managers in the managerial hierarchy. Data shows no middle managers in the first two categories of the

“age” (26-30, and, 31-35). This, in part, reflects the prevalence of the classical managerial philosophy which equates age with experience and the ability to manage. As a junior manager mentioned:

“Of course it takes time to move up the ladder. This is how things are here, to get to upper management position you need to be ‘wiser’ and ‘more experienced’, and that takes years.” (M.J.11).

The data further demonstrate that some junior managers (N=2, age=51 years) and some middle managers (N=8, aged between 36-55) have not climbed the managerial ladder. This uneven distribution of managers in lower managerial positions suggests other factors such as education may have influenced the process of moving up to senior positions (See Table 5.2). As the findings presented in the foregoing chapter demonstrate some 27 percent are female managers (see Table 5.2 and Figure 5.1). These findings illustrate that woman managers are contributing to management in Damdaran. As illustrated in Table 5.3, most senior managers (90%) are male and only 27% of the total sample of managers are female. As a female manager commented;

“I am not surprised to see more male managers than females. Traditionally this has been the case all over, but, things have changed over last three decades; women seem to be more eager to assert themselves

and find their position in the society, and why not, we are as good if not better than men...” (F.J.16).

Overall data analysis show that only 2 managers as oppose to 18 senior managers are females. In the middle management category nearly half of managers are females. A comment of one of the female managers is noteworthy here:

“...we still have long way to go to redress the ‘gender balance’ in our organisation, but we will get there...”
(F.S.17.)

The presence of more male managers in Damdaran is certainly not accidental. Issues such as culture history and the nature of the business tend to have significant effects on the composition of managerial staff (Analoui et al., 2011; Kakabadse, et al., 2004; De la Rosa, 2006). As for the issue of gender and seniority, literature supports the belief that senior members should be recruited on the basis of their expertise and experience (Cornforth, 2004).

6.2.4. Importance of Education

As the findings presented in the foregoing chapter demonstrate the managerial sample under study is well educated. A major segment of managers have education equal to and higher than a Masters degree (some

43%). Close to 30 % of the sample studied have a PhD degree. Most of the middle managers have either a Master degree (45%) or a PhD (40%) degree. Among senior managers a PhD degree (45%) is as prevalent as a Master's degree (45%). It is evident that education receives a great deal of attention in Damdaran. At Damdaran 30% of managers have a PhD degree. This percentage demonstrates that having a high managerial degree has considerable value at Damdaran. On this point a senior manager asserted:

“...as you may have noted throughout this interview, good education plays an important role at Damdaran. A major segment of our managerial staff have a PhD degree because we have always stressed the importance of higher education for motivation and good performance” (M.S.3).

As it can be seen from the above discussion, interviews results and the findings from quantitative data collected demonstrate that educational achievements influences manager's perception of effectiveness and motivation. These findings are certainly supported by the literature (Handy, 1976; Antwi and Analoui, 2013). These findings show the importance of developing skills of population and utilizing it effectively to support national development.

Interview results show that managers certainly realize the importance of education at work. Commenting further on the important role of education, one of the managers maintains that:

“Education has played a major role behind managerial role allocations at Damdaran. We certainly welcomed you with open arms and accommodated you in conducting an investigation of managerial motivation here at Damdaran because we believe in the value of quality research and development for our business and our great nation as a whole” (M.S.1).

6.2.5. Experience Counts

As demonstrated in the previous section data shows (see Figure 5.3.) that experience counts at Damdaran. More than 30 percent of middle managers have 11 to 15 years of experience and some 15 percent of middle managers have 16 to 20 years of experience. Senior managers have the longest working experience at Damdaran dairy plant with 50 percent of senior managers showing some 16 to 20 years of experience. Interviews with some of the senior managers stressed the importance of experience at Damdaran. According to one of the senior managers:

“We are pushing hard to improve the quality of skilled worker and decision making processes at Damdaran by expanding the real hands on experiences of managers at work. Experience counts here at Damdaran and we certainly look at it as our

company's philosophy and central to our growth path" (M.S.2).

Results of quantitative data and interview findings certainly show the importance of experience at Damdaran. Literature support much of these findings. Research has demonstrated that age (Kanter, 1997), education (Handy, 1976; Kakbadse, et al., 2004), years of experience and seniority (Handy, 1976; Kanter, 1997; Antwi and Analoui, 2013) influence perception of managers of their own performance, effectiveness, and their motivation (see Table 5.4, and Figure 5.2, 5.3).

6.3 . Hygiene And Motivators At Damdaran

The main theoretical constructs behind hygiene and motivators are derived from Herzberg's theory (1966). Herzberg argues that need relating to the hygiene factor are important for addressing level of job dissatisfaction at work (Lawler, 1973; Blunt, 1983) . These needs are reflected in factors such as job security, salary, fringe benefits, working condition and company reward policies (Herzberg, 1966, 1987). In examining hygiene factors in Damdaran the overriding findings of data analyses shows a noticeable portion of managers opting to answer "neutrally" to questions regarding many of the hygiene factors (Vroom, 1964; Weir, 1976).

When asked "How would you describe your job security?" 50% of the managers reported a "neutral" response followed by 30% who reported a

“high” response. In response to “Is your job security related to your performance at work?” it can be noted that some 35% of the managers reported a “neutral” response followed by some 38% who reported a “high” response (see section 5.3 in the previous chapter, viz., chapter 5). One of the junior managers clearly voiced a need for greater job security at work which demonstrates that more attention needs to be paid to job security at work.

“...with the worsening of the economic condition, sense of being out of work has increased among many of the managers. Despite assurance from higher up, we know that when the overall economy worsens there is not much anyone here in the company can do to protect us forever, we are all affected by the bigger scene and we know that some of us may have to go if the economy worsens further” (M.J.13).

Further investigation showed that when managers are asked “How important is feeling secure (job security) to your job satisfaction at work?” 18.3% of the managers reported a “neutral” response, while 36.7% reported a “high” response and 43.3% reported “very high” (see section 5.3 in the previous chapter, i.e., chapter 5).

Commenting on this point, a senior manager reported:

“Job security has been affected significantly the past decade at our company. Many of the junior managers and even some middle managers feel unsecure at the position. Some have postponed buying a house and hence feel that job insecurity is stressful as they cannot plan for their lives” (M.S.4).

Moving on to discussing how fringe benefits are perceived at Damdaran, it can be noted that overall the majority of managers are responding “neutral” to “high” to the issue of fringe benefits. On the relationship between performance and fringe benefits again, it can be noted that some 40% of managers are providing neutral responses. When asked “How satisfy are you with your working condition?” 38% of managers reported a “neutral” response, while 33% reported a “high” response. Interestingly, when asked “does your working condition affect your performance?” 55% reported a “high” response followed by 31% who responded very high (see section 5.7 in chapter 5 for a more detailed presentation of these results).

Commenting on the importance of fringe benefits, one of the junior managers argued that:

“with the worsening of the economy and the fact that our salary really is insufficient for addressing family

need, more and better fringe benefits is certainly welcomed” (M.J.14).

In reflecting on these results, especially on the job satisfaction findings, Bassett-Jones and Lloyd (2005) discussion of Hertzberg theory are noteworthy. As Bassett-Jones and Lloyd maintain Hertzberg’s theory:

“challenged the dominant theoretical assumptions prevailing at the time that job satisfaction and dissatisfaction could be presented on a continuum, at the midpoint of which, an individual would experience a neutral state being neither satisfied nor dissatisfied. An improvement in one or more of a range of factors including pay, supervision, and prospects for promotion would result in a move towards increased satisfaction, whilst a deterioration would prompt a move in the opposite direction. Put another way, dissatisfaction was a result of an absence of factors giving rise to satisfaction” (2005, p. 932).

Paying heed to Bassett-Jones’ and Lloyd’s view of Hertzberg, the results of the present study’s findings of hygiene factors can be interpreted as indicating that overall managers are perceiving the hygiene related factors at Damdaran are balanced, but as the comments of one of the junior managers

noted above shows fringe benefits could be improved in the face of the worsening of the economy.

Moving on to discussing factors that reflect motivators at Damdaran, an immediate eye-catching result is a significant portion of managers opting for checking the “high” to “very high” responses. That is, in general most of the managers are satisfied with the overall motivators at Damdaran. Some important quantitative and qualitative findings that reflect this general trend are as follows.

When manager were asked “how much more responsibility would you like to have at work?” as many as 53% of managers responded high and 30.% responded very high (See Figure 5.9) and asked “how much would a promotion/career advancement motivate you at work?” some 43% of managers responded high (Figure 5.10). Interview results shed further strength on these quantitative findings. A male senior manager argued that:

“Certainly in Damdaran we have always underlined that handling responsibility will be associated with higher level of promotion and this concept has always worked to the benefits of Damdaran and its employees” (M.S.2).

As demonstrated in previous chapter when managers were asked “how would you describe the variety aspects of your work?,” 41% of managers

responded high, 28% responded neutral, 16% responded low and 11% responded very high. Thus, overall some 52% (41%+11%) of managers perceived the job variety at Damdaran to be high to very high (see Figure 5.11). Qualitative results further strengthened these findings. Noteworthy is one of the managers arguing that:

“The workload is often very high, but the variety of things I have to address in a usual working day helps keep me motivated because I am rarely bored with doing the same things. There is a rich variety of responsibilities here at Damdaran that keeps most of us satisfied” (F.S.18).

Echoing the above, another manager argued that:

“Responsibility and variety at work go hand in hand here in our company. I would say that more responsibility actually gives you more variety at work. This is a feature of managerial work that we really appreciate here.” (M.M.7).

As it can be seen here, results of these interview findings very support the results of quantitative data analysis and overall indicate that intrinsic job motivation is seen as highly positive at Damdaran.

Interestingly, when managers were directly asked what they thought about the relationship between motivation and job variety, that is, when they are asked “to what extent do you feel that the variety in your work affect your motivation at work?” 55% of managers responded high and 33% responded very high (see Figure 5.11). Qualitative findings provided further support for these results. A junior manager argued:

“Overall since I started here at Damdaran, I have kept busy with a whole host of different managerial activities, every thing from overseeing work at the plant in person to report writing at the end of the day. I feel that it is precisely this variety at work that motivates me to stay on the job and work hard toward company’ objectives” (F.J.19)

Results further supported this pattern of relationship between motivators and performance. In a relatively small sample of 60 managers relatively high correlations were detected (see Table 5.6 for an overview) between “how would you rate your performance at work” and (1) Job Status: How would you describe the relationship between your level of performance and your

status at work? (0.53); (2) “Is reward policy of your organization influencing your performance at work?” (0.48); (3) “Promotion: How much would promotion/career advancement motivate you at work?” (0.42); (4) “Job Responsibilities: How much more responsibility would you like to have at work?” (0.39); (5) “Challenges of Job: To what extent do you feel that the challenge in your work affect your level of motivation to work?” (0.40).

Note that many of these correlations find support in the qualitative interview findings noted above. Furthermore, noteworthy here is that findings pertaining to the relationship between motivators and performance demonstrate some of the key ideas in Herzberg’s (1966) theory (especially the distinction between motivators and movers) and are discussed in the following.

Writing on this point, Bassett-Jones and Lloyd argues that one of the most important aspect of Herzberg’s theory is the distinction that the theory makes between *motivators* and *movers* (Bassett-Jones and Lloyd, 2005, p. 932). Elaborating on the core difference between *motivators* and *movers*, Bassett-Jones and Lloyd (2005) points out that “motivators are rooted in intrinsic sources of satisfaction, and movers are responses to external stimuli.” (2005, p. 936). Bassett-Jones and Lloyd, (2005) argue that one of the main criticism that Herzberg launched against classic theories of organizational motivation at the time was that these theories failed:

“ to separate motivators from movers..with the result
that many organizations become over-reliant on

extrinsic rewards that absolve managers of any responsibility to enrich work by creative and imaginative job design or recognition of individual growth needs.” (Bassett-Jones and Lloyd, 2005, p. 936).

Based on this distinction between motivators and movers Herzberg’s (1966), theory would predict that factors that are inherent to the job itself should be seen by managers studied in this research as affecting motivational state. This certainly can be seen from the above analysis of quantitative findings (see Table 5.5 for an overview of quantitative findings) as well as the qualitative interview findings just outlines above. To reiterate the highlight of some of the qualitative interview findings, make note that managers argued that:

“I feel that it is precisely this variety at work that motivates me to stay on the job and work hard toward company’ objectives” (F.J.19).

“Responsibility and variety at work go hand in hand here in our company” (M.M.7).

“At Damdaran we have always underlined that handling responsibility will be associated with higher level of promotion and this concept has always worked to the benefits of Damdaran and its employees” (M.S.2).

Much in line with the prediction that are made in Herzberg's theory that motivators affect performance, results of the spearman correlations yielding high values between managers' perception of their own performance, (i.e., in response to “how would you rate your performance at work?”) and key motivator factors. Thus, as it can be seen results strongly support Hertzberg's theory (1966) and the distinction that is made in this theory between motivators and movers. As it can be noted from quantitative and qualitative analyses the factors are not directly related to monetary compensation (that is, movers) and rather reflect true motivators.

Writing on the main distinction between Herzberg's theory and the classic theories of organizational motivation Bassett-Jones and Lloyd, (2005) argue that:

“Expectancy, equity, goal setting and reinforcement theory have resulted in the development of a simple model of motivational alignment. The model suggests that once employee needs are identified,

and organizational objectives are defined, the next step is to determine rewards and link these to behaviours that both serve the organizational objectives and also satisfy employee needs. If these are well aligned, high motivation will result; if poorly aligned, then low motivation will be the outcome. From Herzberg's perspective, the model fails to separate motivators from movers"...(p. 932).

Here, Bassett-Jones and Lloyd, (2005) bring forth a major distinction between classic theories of motivation and Herzberg's two factor theory of motivation and demonstrate why Herzberg's theory continues to be a powerful tool in organizational theory and for practitioners interested in measuring work motivation. As it can be seen from Bassett-Jones's and Lloyd's, (2005) analyses while classic theories of motivation in organizations have maintained that only if there is an alignment between organizational needs and rewards, then there will be productive performance based on employees motivation. Hertzberg's theory showed that these theories fail to distinguish between motivators and movers. Central in Bassett-Jones's and Lloyd's, (2005) argument is that classic theories of motivation rarely take into consideration the difference between intrinsic work motivation and motivation that emerges from compensation paid for the job. The implication of this "over-reliant on extrinsic rewards is that is "absolve managers of any responsibility to enrich work by creative and imaginative job design or recognition of individual growth needs" argues Bassett-Jones and Lloyd,

(2005, p. 932). As it can be seen here central in the distinction that is made between motivators and movers is that motivators are about job enrichment and characteristics of the job that comes variety of work. To reiterate, the manager who argued about the importance of job variety and motivation underline this relationship.

“Responsibility and variety at work go hand in hand here in our company. I would say that more responsibility actually gives you more variety at work. This is a feature of managerial work that we really appreciate here.” (M.M.7).

Thus, the results of the study certainly demonstrates the key distinction Hertzberg theory (1966; 1967) makes between motivators and movers and the main point about motivators emerging from intrinsic job characteristics the factor variety at work demonstrates (Buchanan, 1987; 1994; Ford, 1969 Bratton and Gold, 2004; Analoui, 2007).

6.4. Contextualizing Managers' Motivation

In numerous occasions in this thesis the importance of contextualizing work motivation has been underscored. As it has been argued here with reference to the work of Analoui (1999):

“ the presence of motivators such as “responsibility”, “recognition” and the like cannot replace the basic hygiene factors such as adequate remuneration. The above, however, becomes meaningless unless they are seen within the context of the deteriorating state of the economy” (p. 378).

Central here is Analoui’s contextualizing motivation in the broader cultural and economic spheres. In this study a segment of the survey asked managers about their perception of the effects of economic and socio-cultural factors on work motivation. In this study results showed that economic, social and cultural factors influence motivation. Results certainly echoed Analoui’s argument that:

“not all needs are as universal as Maslow (1943) proposed. Many are socially determined and not surprisingly are different from one culture to another” (Analoui 2007, p. 224).

In this study when managers were asked “reflecting on the economic condition during the last 5 years, how would you describe the level of your perceived stress,” some 43% felt that economic conditions has actually increased their perceived stress at work, 30% rated this influence as very high (see Figure 5.18).

Commenting on this increase in perceived stress male and female managers argued:

“In recent years because of economic condition our stress at work has increased noticeably as a result of economic uncertainties. I, as the head of the family and responsible for the family economy perceive this increase workload and stress and try to address it as much as I can” (M.S.1).

“As a female senior manager I feel that past few years economic changes have been very tough on us all. At the office I feel the stress and try to manage it as good as I can trying not to spread it down to those I supervise” (F.S.17).

As it can be seen here, economic condition of the past 5 years has certainly increased managers' perceived level of stress at Damdaran dairy plant. Much in line with Analoui's (1999, 2007) arguments and research findings the finding here demonstrate that socio-economic forces affect manager motivation in organizations. Thus, overall results certainly demonstrate the importance of contextualizing manager motivation in order to better account for underlying forces that influence motivation (Dawson, 1992; Analoui, 1999;

Kakabadse, et al., 2000; Antwi and Analoui, 2013). In the following section a more detail picture will be presented that contextualizing manager motivation in relation to other socio-cultural factors.

Interestingly, much in line with Analoui's (1999) highly textured interview findings in Ghana, which demonstrated that the social norm "possession of owned accommodation" (Analoui, 1999, p. 378) had a formative effect on manager motivation, in this study it was revealed that some of the classic social codes exert powerful effects on managers motivation and construal of the totality of the meaning of work. Here it is important to reiterate Analoui's findings in his 1999 study and the importance of social norms affecting motivation in ways that rarely come across from survey data and must be tapped into using interviews.

One of the most interesting findings of Analoui (1999) that underscores the highly complex effects of social norm on motivation is demonstrate in the following:

"in Ghana, like many other developing countries, possession of owned accommodation is seen socially as an indication of effectiveness at work and success as a whole. Most managers have to rely on "projects" to supplement their salary and seek opportunities outside working hours, such as training, research, consultancy and even a second job in order to "buy a plot" and "gradually build on it".

Working abroad and over and above the regular hours has repercussions for the incumbent and more importantly for the effectiveness of the organization as a whole. It is not unusual to see junior and middle managers using the work as a “resting place for recuperation”. The added stress and a lack of attention to the physical and psychological well-being results in frequent illnesses and a further loss of productivity and effectiveness” (Analoui, 1999, p. 378).

Here, the cause and effect of the social norm and the importance of possession of own accommodation on effectiveness at work and motivation is painted magnificently by Analoui’s findings which are a result of interview data. Interviews showed why many managers have to take on extra projects, the cause pushing for taking on extra projects and the consequences for the work manager performed at their primary work. In his interviews Analoui shows that African culture must be taken into account as broad super-structure that surrounds thoughts and action affecting manager motivation. As Analoui, demonstrates “possession of owned accommodation is seen socially as an indication of effectiveness” and in aiming to fulfil this norm the primary working place turns into a sort of a resting place for recuperation because managers have to take on other projects to fulfil this norm and hence are simply exhausted and tired at their primary work to be effective and motivated (Analoui, 1999, p. 378).

Family responsibilities affecting motivation of managers came across in numerous passages in the interviews. As discussed previously a common approach to construing of the relationship between work and the broader socio-cultural framework of work is seen in arguments that;

“all these factors have a great impact on my future and also my family so I have to keep monitoring all these at the same time” (M. S. 3).

Here the manager is referring to the socio-economic and cultural factors that frame work. Another manager comments that:

“since I am married I have to take care of a family, I also don’t see any clear future for my family” (M.S. 5).

Although the breadwinner model of work re-occurs throughout the interviews, it is important to point out that the interviewees are responding to questions that formulates work in relation to the economy. That is, in many of the cases the respondents are formulating answers about the relation between the economy and work. For example, when asked "in your opinion, how do the above noted, socio-economic and cultural factors affect your motivation at work?" they go on pointing to the family, security of the family and marriage as having been affected by the economy. Interestingly Maslow’s hierarchy of needs (1954) comes to mind as a good framework for reflecting a bit deeper about how these managers are construing of the link between the economy and work. In a classic model of motivation, Maslow (1954) argues that

employees are motivated by fulfilling needs that corresponds to a given need-stage. The need stage vary from basic needs, such as need for safety and belonging to high order self-actualization needs. Key in Maslow's theory (1954) is the idea that employees' creative power of self-actualization will be not be much of a propelling factor helping the organization, if e.g., need for security has not been fulfilled.

Interviews with managers certainly demonstrates that poor economic condition affect the sense of security managers feel and hence when they construe of work motivation they tie it to the family, that is, it is the security of the family economy and providing for the family that are at the stake and are affected by the economy. As a female manager points out:

“assessment of happiness of the workers is a need for our organization, it has to be annually” (F.J.16)

These comments, waved together, certainly underscore that the worsening of the economy has had major impacts on the family economy and that this is being felt in the business sphere affecting manager motivation. Interestingly in interviews the theme about happiness re-occurs in numerous instances. For example, a here a manager is maintaining that:

“Yes. If the economy gets better the organization would be able to have more policies for making us happy”
(M.S.4)

Another female manager further ascertained that:

“It really sometime stops my work, it has a very bad effect on me during the work hours, if I be happy in the work I would produce a lot more.” (F.J. 18)

Similar views were presented by another male manager:

“If the economy gets better this organization would be able to have more policies for making us happier” (F.J.19)

It is interesting to note that while in Iran managers are using the term happiness to refer to various aspects of work, the term satisfaction is a more common term used in west, especially in the literature on motivation to refer to issues that managers are raising in this research (e.g., Lund, 2003). Despite being one of the oldest classic theories of motivation, Maslow's (1954) theory of need actually has considerable credit here for helping us better understand why managers, when asked about the effect of the economy on work motivation, elaborate on happiness and family security. Maslow's theory holds that before higher order needs, especially need for self-actualization, can be satisfied lower needs for safety and security have to be fulfilled. Applied to the context of this present research findings, Maslow's theory would account for the findings as demonstrating that

managers' lower ordered needs are left unaddressed to some degree and this why it may be difficult for some managers to be motivated enough for pursuing higher order goals in organizational settings. Overall the managers unveiled a rich, highly textured information showing the effects of the culture and socio-economical factors on manager motivation. Interviews showed that Iran's economy and the control of the prices introduced by the government are factor affecting business and manager performance. Some managers also pointed out that the Revolution has improved worker's rights.

6.5. Conclusion

This study, the first of its kind to research manager motivation in the dairy industry in Iran showed that in the Damdaran dairy plant, a relatively high proportion of managers chose to respond neutrally to questions regarding hygiene factors , while such a trend was not detected when it comes motivators. Thus, overall there is a sharp difference between response trends to items representing hygiene and motivators. While in response to many questionnaires items that represent hygiene factors, managers choose neutral response, in response to items that represent motivators factors managers are choosing the "high" and very "high" responses. Another important aspects of the findings is the relationship between motivator factors and performance. Findings show that managers reported a high relation between performance and motivator factors, such as job status and recognition. Thus, here again similar patterns of a strong relation between motivator factors and performance is emerging as compared to weaker

perceived relationship between hygiene factors and performance. Thus, results of the study certainly demonstrate the key distinction Herzberg (1966) makes between motivators and movers and the main point about motivators emerging from intrinsic job characteristics. This study's finding with respect to contextualizing work at Damdaran demonstrates that economic condition during the past five years has increased managers' perceived level of stress at work. A significant portion of managers felt that economic conditions have actually increased their stress at work, adversely affecting their motivation. When managers were asked about the past ten years, they felt that human resources policies and procedures have been affected by the political climate. Thus, overall managers felt that the economy and the political atmosphere have affected perceived stress at work as well as human resources policies.

Interviews revealed a wealth of interesting findings demonstrating that many of the managers construe the objective of work in line with the classic breadwinner model. Many managers spoke of family responsibilities and the purpose of work as serving the broader objective of family security. Many managers construed the condition of work in relation to the worsening economy in recent years. Work as a means for making money and security of family are highly interesting features demonstrating that motivation is based on the product of work. In this context it is important to point out that respondents are formulating answers about the relation between the economy and work and indeed the instrumentality of work may be overriding thoughts about self-actualizing at work.

CHAPTER 7: CONCLUDING REMARKS AND RECOMMENDATIONS FOR FUTURE RESEARCH

7.1. Introduction

In summing this thesis the fundamental role that the study of motivation in organizations has played is important to reiterate. The argument for the importance of motivation and the need to better study it at Damdaran dairy plant is based on the gap that is evident in studying manager motivation in the dairy industry in Iran. It should be reiterated that this is the first study to investigate manager motivation in the dairy industry in Iran. The value and importance of studying manager motivation in the dairy industry in Iran can be seen in the change in managerial thoughts that has been discussed in this thesis. As pointed out, one of the most important aspects of the development of management theories since Taylor has been a steady and systematic move away from Taylorism deterministic approach to dynamic, open system theories that place considerable stress on emotional bounding of employee to organization. A fundamental driver of this development has been to better understand motivation's effect on performance and socio-political and economic context that frames and influences manager motivation. Contextualizing manager motivation has been a very important aspect of most of Analoui's research and this informed and framed this thesis. As it has been argued here, ultimately, Analoui's research shows some of the fundamental problems that researchers equipped with western models of motivation face in trying to account for observational data in non-western productive system using classic western motivational theories. Thus,

contextualizing manager motivation in the dairy industry in Iran must take into account the effects of external influences, i.e., economic, social and possible political influences of the frame work. This objective has been achieved. The following outlines the key questions and achievements of this thesis and fundamentally demonstrate that contextualizing managers motivation provides a wealth of information about many underlying factors that rarely come across in classic assessment approaches to uncovering motivation in organizations.

7.2. Key Research Questions Raised and the Answers

In concluding this thesis, it must be reiterated that this study of managers' perception of motivation at work is a first of its kind. It intended to explore perceptions of managers and provide a unique account of managers' life, effectiveness and motivation in a large dairy industry in Iran by contextualizing motivation in relation to socio-political and religious factors. A major objective was to explore what motivates manager's work performance and satisfaction. As explained earlier, most of the theories tend to lack the needed sensitivity to fully account for the effects of non-western cultures as a superstructure affecting motivation. Furthermore, Iranian society is driven by a powerful Islamic worldview that affects business decisions and management style. In light of these underlying contextual realities the present study aimed at exploring managers' perception of their own motivation in a dairy industry in Iran in order to understand the forces that propel/and weaken performance at work. The main objectives were:

1. To review the relevant literature on development of management, roles of the managers and the main theories and concepts that shed light on the behaviour managers in the organization.
2. To explore the complexity of the role of the managers and the scope of their activities in the dairy industry.
3. To identify the demand, constraints and choices experienced by managers in the dairy industry.
4. To understand the “hygiene” and “motivating” factors associated with the manager’s position.
5. To examine the policies and procedures concerning the “reward” and “motivation” within the dairy organizations.
6. To determine the implications of the findings of the present study for dairy industry in Iran and provide some key recommendations.

In order to achieve the above objectives, the study aimed at answering the following main research questions, i.e., “what factors influences manager’s motivation at work?”

7.2. A Brief Reiteration of the Keystones in the Development of Managerial Thoughts

As it has been discussed in previous chapters (especially chapter two that provided a comprehensive discussion of the literature on development of

managerial thoughts), managerial thoughts have developed dramatically from the deterministic approach of the scientific management to much more flexible and dynamic models that is seen today in theories such as the human resources approach (Boxall, 1993).

Taylor's scientific management introduced a systematic approach to analyzing work and its elements (Nyland 1996). Taylor's management approach underscored that "science, not rule of thumb" should be the mission of a scientific approach to management (Scott and Mitchell 1972, p. 140). Despite the fact that Taylor's scientific management laid a scientific approach to managerial thoughts, some critiques have argued that "Taylor's system viewed man as a machine—a cog in a wheel—and programmed every important motion a workman had to execute to complete an assigned task." (Halpern et al., 1989, p. 21). The attempt to mechanize work pulled much of human decision making out of the process of work and in so doing de-humanized work. This is a major re-occurring criticism of Taylorism and one of the main reason Taylorism gave way to human relation approach, which reacted strongly to the missing link in Taylor's management approach demonstrating that workers do not always behave in "the way the rational prescriptions of the economic man said they should behave" (Scott & Mitchell, 1972, p. 28). The human relation approach and other managerial thoughts that developed after it argued rejected the static features of the classic approach (Bruce and Nyldan, 2011). That is, they rejected a static nature of the classic models of human and work, the assumption that productivity is the best measure of a firm's performance. This is not always

the case as the unintended consequences of zooming in on productivity leads to ignoring workers motivation (Bruce and Nyldan, 2011).

The human relations approach exerted a major impacts on the foundation of management theories showing that the simplistic view of the 'economic man' and demonstrated that work performance is not driven merely by economic interests and can depend greatly on work environment and organizational conditions (Winship, 2005).

The major development that came after human relation approach is the open system theory which greatly stressed dynamic system as a model for organization and managerial thoughts (Holt 1998). An open system theory is a collection of that work toward harmonization around a common goal (Hall, 1998; Analoui, 2002). In system theory changes made to one element of the system will impact the system as a whole and hence inputs and outputs are related together in feedback loops. One of the most important aspects of open system view is its *input-transformation-output* aspect (Kast & Rosenzwei, 1972, p. 450), which argues for a model that is dynamic and changeable. This feature laid the foundation of the contingency theory of organization. That is, the view that the internal functioning of the organization must reflect the external demands of the organization in a consistent way for the organization and its management policies to be successful. As discussed in the theory section of this thesis, the most important development reflecting the open system theory have been theories such as Mintzberg's contingency role of management (1973) and Analoui's work on managerial effectiveness

(1999; 2010) which clearly demonstrate the importance of managerial roles in an open system framework. As stressed throughout this thesis Analoui's model (2010) demonstrates some of the inherent problems of early models. As demonstrated here Analoui's research demonstrates the importance of contextualizing manager motivation and underlines that "not all needs are as universal as Maslow (1943) proposed. Many are socially determined and not surprisingly are different from one culture to another" (Analoui 2007, p. 224).

Analoui's research and theory building directly influenced this research from two complementary angles. Firstly, Analoui's overall interest in managerial effectiveness has been on Herzberg's *two factor theory*--motivator-hygiene theory (Herzberg, 1966). Secondly In many of his studies Analoui organizes his initial overview of data analyses along Herzberg's two-factor theory in order to uncover factors that influence satisfaction and motivation. Thus, in reflecting on how managerial thoughts discussed here influenced this thesis, it can be argued that Analoui's theory building based on contextualizing managerial motivation and elaboration on Herzberg's *two factor theory* have been important.

7.3. The Value of the Mixed Method Approach Applied Here

In addition to the important role that development of managerial thoughts has played in affecting the structure and questions posed in this thesis, it is also important to bear in mind that the method applied to investigate the questions posed here is noteworthy. The method applied here is mixed

method approach, which deploys both quantitative and qualitative measures. As demonstrated here, this has been very well suited for addressing the challenges of coming to terms with how work environment variables, job-content variables, managers' own perception of the reality of working for dairy organizations and culture affect manager motivation. As underlined here, a "mixed methods research has been recommended in uncharted regions where theoretical roadmaps do not yet exist, but where it is important to apply several methods to stay on firm ground to arrive safely at the destination" (Ihantola and Kihn, 2011, 39-40). By applying a mixed method approach the questions posed in this thesis have been addressed and this investigator is delighted to report that all the above objectives have been met and the questions have been answered. Some of the key highlights of the findings are summarized and analysed below.

7.4. Findings Related To Managers Perception of Motivation

A detailed analysis of results has been discussed in the previous chapter. Here it is deemed important to reiterate some of the major findings of the study. These are as follows:

In order to better understand the significance of the empirical findings of this study, the findings are grouped in relation to the research objectives of the study (See Table 7.1)

Table 7.1. The Outline of the Research Objectives and Related Empirical Findings

No	Main Research Objectives	Main Findings
1	Review the relevant literature on development of management, roles of the managers and the main theories and concepts that shed light on the behaviour managers in the organisation	<ul style="list-style-type: none"> • Maslow's theory would account for the findings as demonstrating that managers' lower ordered needs are left unaddressed to some degree and this is why it may be difficult for some managers to be motivated enough for pursuing higher order goals in organizational settings. • It confirms Analoui's findings that monistic models are not suitable for framing managerial effectiveness and instead more pluralistic models should be favoured. • Herzberg two factor theory applies partially to dairy industry in Iran. Some of the hygiene factors act as motivators in Iran. • Herzberg theory does not include cultural factors in assessing hygiene and motivators.
2	Explore the complexity of the role of the managers and the	<ul style="list-style-type: none"> • Women managers are contributing to management of people and operations in Damdaran (27%). • Education receives a great deal of attention in Damdaran

	scope of their activities in the dairy industry	<ul style="list-style-type: none"> • Results of quantitative data and interview findings show the importance of experience at Damdaran • Socio-economic forces affect managers' motivation in organization • Poor economic condition affect the sense of security of managers • Managers perceive their role as being in line with the 'traditional breadwinner' model • Most managers view the condition of work in relation to the worsening economy in recent years. • Islamic work ethics have to be considered. In the west the 'outcome' is regarded as important, but in Islamic work ethic the 'intention' will be regarded as important as outcome. • Islamic work ethic requires the managers to be fair in dealing with their employees • In Iranian culture 'loyalty' is perceived as an important work related value
3	Understand the "hygiene" and "motivating" factors	<ul style="list-style-type: none"> • Managers perceived the hygiene related factors at Damdaran as 'balanced', though 'fringe benefits' could be improved in the face of the worsening of the economy.

	associated with the manager's position in their respective organisations.	<ul style="list-style-type: none"> • Most of the managers are satisfied with the overall motivators at Damdaran • Intrinsic job motivation is seen as highly positive at Damdaran. • managers reported a strong relationship between performance and motivating factors, such as 'job status' and 'recognition' • Managers seem to be satisfied with hygiene factors at Damdaran • Some 38% of managers responded neutrally to questions regarding how satisfy they are with working condition at Damdaran • More than half of managers (56%) responded neutrally to formulating company policies and procedures • 53% of managers felt that their responsibility for motivating others is an important one • Managers related performance to salary • Sanctions have had impact on the perception of hygiene and motivators by the managers. Due to economic pressures hygiene factors have received prominence.
4	Examine the policies and procedures	<ul style="list-style-type: none"> • Managers did not seem to be aware of the presence of HR policies concerning reward and

	concerning the “reward” and “motivation” within the dairy organisations.	<p>motivation.</p> <ul style="list-style-type: none"> • The HR department of the Damdarn operated as personnel affairs office. • Managers reported a high relationship between performance and motivating factors such as ‘job status’ and ‘recognition’ • Reward system ought to be viewed in the socio-economic, political, and cultural contexts
5	Determine the implications of the findings of the present study for dairy industry in Iran and other similar organisation in developing countries	<ul style="list-style-type: none"> • Relative to other industries, e.g., mining and oil industries the agricultural sector has been relatively neglected • Economic condition during the past five years has increased managers’ perceived level of stress at work • Managers interpreted weak relationship between hygiene factors and performance as being determined by socio-economic realities of Iran • Managers were aware that HR policies and procedures have been affected by the political climate. • Management of dairy industry require proper training In HR and Management Development • Management of the Dairy organisation must provide the staff with adequate security and salaries

		<ul style="list-style-type: none"> • In order to remain competitive, dairy organisation must establish proper HR to deal with employment relationships • Dairy industry is an expanding industry with potential for export • Attention must be paid to the development of management and organisations. • Since Damdaran has benefited from involvement of female managers, it is prudent that more female managers should be involved in this I industry. • The sanctions have had adverse effects on the operations of the dairy industry as the whole.
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Source: Data Analysis

1. The results certainly demonstrate that managers seem to be satisfied with hygiene factors at Damdaran, but also have some concerns (reservations) when it comes to motivators at Damdaran.
2. When asked “how would you describe your job security?” 50% of managers reported a “neutral” answer. When asked about issues related to fringe benefits, 36% of managers are responding neutral to how happy they are with Damdaran fringe benefits. Some 38% of managers responded neutrally to questions regarding how satisfy they are with working condition at Damdaran. In response to whether working conditions at Damdaran need improvement, some 38%

responded neutrally. Considering their level of involvement in formulating company policies and procedure, some 56% of managers responded neutrally.

3. Thus, a noticeable proportion of managers are responding neutrally to questions readings hygiene factors at Damdaran. This certainly indicates that a noticeable proportion of managers are satisfied with underlying factors that reflect hygiene at Damdaran.
4. Moving on to factors that reflect motivators, such a trend is not noticeable. As for the level of responsibility in your current position” 43% of managers responded high. Also regarding importance of their responsibilities in motivating them to work, 43% of managers responded high. When asked “how much more responsibility would you like to have at work?” 53% of managers responded high. When asked “how much would a promotion/career advancement motivate you at work?” 43% of managers responded high.

Thus, overall there is a sharp difference between response trends to items representing hygiene and motivators. While in response to many questionnaires items that represent hygiene factors, managers choose neutral response, in response to items that represent motivators factors managers are choosing the “high” and very “high” responses. This difference in response pattern was discussed in the previous chapter (i.e., six) in some detail.

Findings concerning the relationship between motivator factors and performance showed some noteworthy aspects that can be concluded as:

1. Findings show that managers reported a high relation between performance and motivator factors such as job status and recognition. In describing the relationship between their level of performance and their status at work a large segment of managers responded high (i.e., 40%). In addition to job status, recognition at work is another important motivator that manager felt affects performance. As for recognition, most of the managers, i.e., 46%, reported that recognition of their effort by others is very important to them and some 43% responded high and they believed that recognition at work does act as “motivators” for them. Interestingly, the reported relationship between performance and some of the factors representing hygiene factors at Damdaran are not perceived by managers to be as high as the relationship between motivator factors and performance.
2. Managers also related performance to salary. This is interesting because it illustrates that hygiene factors are also important in an economy with high level of inflation. Thus, here again similar patterns relation between motivator factors and performance is emerging as compared to weaker perceived relationship between hygiene factors and performance. As explained earlier these finding should be seen in the context socio-economic realities of Iran.

3. The reward policy of the organization does influence performance and managers are aware of both policies and their impact on the way they discharged their responsibilities (performance).

The key findings of the study pertaining to contextualizing work at Damdaran dairy plant, showed that:

1. Economic condition of the past 5 years has certainly increased managers' perceived level of stress. Managers reported that when they reflected on the economic condition during the last 5 years, they feel stressful. Some 43% felt that economic conditions has actually increased their level of pressure and stress at work, while 30% rated this influence as 'very high'.
2. When reflecting on the past 10 year, they reported that they are aware that HR policies and procedures have been affected by the political climate.

Thus, overall managers felt that the economy has affected perceived stress at work and that HR policies in the past ten years have been affected by the political climate.

Finally, moving on to some of the most noticeable highlights of the information that emerged from interviews, a central finding is managers construing of the objective of work in line with the classic breadwinner model.

1. Many managers spoke of family responsibilities and the purpose of work as serving the broader objective of family.

2. In addition to this classic breadwinner model, many managers construed of the condition of work in relation to the worsening economy in recent years.

The interviews opened up a wealth of information. In line with Analoui's (1999) findings where he reported a major social norm indexing effectiveness in Ghanaian culture and that this norm frames the working psychology of managers at work, present study many of the senior manager also construed of the objective of work in relation to the classic breadwinner model and its responsibilities. While Analoui (1999) shows that working in the Ghanaian public sector for some managers must be supplemented by other projects to make ends meet, in this study, in a private sector in a dairy plant, managers also construe of the objective of work in relation to fulfilling the classic breadwinner model. Thus, aspects of the interview results certainly duplicate some key findings of Analoui's research in Ghana, especially the point underscored by Analoui, viz., that broad social norms impact motivation. These social norms such as "possession of owned accommodation" have direct and indirect effect on manager motivation. Moreover, there seems to be a universal perception by managers concerning the importance of the working condition and its effects on the performance of the managers.

7.5. Recommendations for Future Research

Some of the key recommendations for future researchers are as follows:

1. Contextualizing managers' motivation can provide a wealth of information about many underlying factors that rarely come across in classic assessment approaches to uncovering motivation in organizations. Some of the most interesting and novel new ways of seeing manager motivation emerged in this study in the context of the methodology applied to contextualizes manager motivation.
2. A mixed method approach that applies qualitative methods in addition to the classic quantitative method is of significant value. In this study a rich texture of information emerged in the interviews that help better understand the quantitative information and pave the way for designing better studies in this field in the future.
3. Some of the novel results that were not easy to comprehend at first, when attended to carefully in light of other data and findings made a lot of sense providing new approaches to data mining.
4. In hindsight and in light of the fact that this is the first study of its kind, an exploratory case study of manager motivation in the dairy industry in Iran, there are many small fine tunings that would be welcomed in the next study of this kind. One of the most interesting issues that future scholars in this field will benefit from is a more comprehensive preparation for qualitative investigation and much more time dedicated to the qualitative phase of data collection. Many of the most valued information of this study, which is also of significant value for future scholars researching this field came across in the interviews and in the process of digging deep into subtle factors affecting motivation.

In closing it should be noted that one of the most important recommendations that can be provided to researchers interested in further investigating this field is to seriously consider the economic, social and cultural forces that affect the broader reality of managers before heading into the field. Understanding these forces will help design better questionnaires and interview questions and hence is guaranteed to provide a much more comprehensive picture of the factors that affect manager motivation. Finally while the present research mainly concentrated on hygiene and motivators, more research is needed into various aspects of reward policies and their relationship with function of HRM and other parameters of managerial effectiveness. This has been beyond the scope of the present research.

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Appendix 1: Survey Questions



Please answer the following questions?

1. Gender

<input type="checkbox"/> Male	<input type="checkbox"/> Female
-------------------------------	---------------------------------

2. Age

<input type="checkbox"/> 20-25	<input type="checkbox"/> 26-30	<input type="checkbox"/> 31-35	<input type="checkbox"/> 36-40	<input type="checkbox"/> 40-45 years
<input type="checkbox"/> 46-50 years	<input type="checkbox"/> 51-55 years	<input type="checkbox"/> More than 55 years		

3. Education

<input type="checkbox"/> Up to Diploma	<input type="checkbox"/> Diploma	<input type="checkbox"/> Bachelor's Degree	<input type="checkbox"/> Master's Degree	<input type="checkbox"/> PhD
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4. Have you obtained any professional qualifications? (Please specify)

.....

.....

5. What is your managerial position on the hierarchy of the organisation?

<input type="checkbox"/> supervisor	<input type="checkbox"/> Junior manager	<input type="checkbox"/> Middle Manager	<input type="checkbox"/> Senior manager
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If the above does not apply please explain:

6. Total years of working experience?

<input type="checkbox"/> up to 5	<input type="checkbox"/> 5-10	<input type="checkbox"/> 11-15	<input type="checkbox"/> 16-20	<input type="checkbox"/> 21-25	<input type="checkbox"/> more than 25
----------------------------------	-------------------------------	--------------------------------	--------------------------------	--------------------------------	---------------------------------------

7. Years of experience in your current management position?

<input type="checkbox"/> Up to 5	<input type="checkbox"/> 5-10	<input type="checkbox"/> 11-15	<input type="checkbox"/> 16-20	<input type="checkbox"/> 21-25	<input type="checkbox"/> more than 25
----------------------------------	-------------------------------	--------------------------------	--------------------------------	--------------------------------	---------------------------------------

Please use the five-point scale below to answer the questions by circling the number that reflects your opinion.

1	2	3	4	5
Very low	Low	Neutral	High	Very High

1. Job security

A. How would you describe your job security?	1	2	3	4	5
C. Is your job security related to your performance at work?	1	2	4	4	5
D. How important is feeling secure (<i>job security</i>) to your job satisfaction at work?	1	2	3	4	5

2. Salary

A. How happy are you with your present salary?	1	2	3	4	5
B. How would you describe the relationship between your <i>level of performance</i> and your <i>present salary</i> ?	1	2	3	4	5
C. How important is your salary to your job satisfaction at work?	1	2	3	4	5

3. Fringe benefits

Do you receive any fringe benefit?

<input type="checkbox"/> yes	<input type="checkbox"/> No
------------------------------	-----------------------------

If yes, proceed with next section

A. How happy are you with your company's fringe benefits?	1	2	3	4	5
B. How would you describe the relationship between your <i>level of performance</i> and the level of fringe benefits you receive from your company, like bounces and payment for overtime work?	1	2	3	4	5
C. How important are the fringe benefits for you?	1	2	3	4	5

4. Working Conditions

A. How satisfy are you with your working condition?	1	2	3	4	5
B. Do you think your working condition needs improvement? If yes, please explain;	1	2	3	4	5
C. Does working condition affect your performance?	1	2	3	4	5

5. Company Reward Policies

A. How comprehensive are your company's Human Resources policies and procedures (e.g. reward, training and development, promotion)?	1	2	3	4	5
B. To what extent do you feel that your company policies and procedures have impact on your performance?	1	2	3	4	5
C. In your opinion, can company policies and procedures motivate you toward your work?	1	2	3	4	5
D. Have you been involved in formulating your company policies and procedure?	1	2	3	4	5

6. Job Responsibilities

A. How would you describe the <i>level of responsibility</i> in your current position?	1	2	3	4	5
B. How important are your <i>job responsibilities in motivation you to work</i> ?	1	2	3	4	5
C. How much more responsibility would you like to have at work?	1	2	3	4	5

7. Promotion at work

A. How would you describe your chances for <i>promotion and career advancement</i> in your current position?	1	2	3	4	5
B. How much would a promotion/career advancement motivate you at work?	1	2	3	4	5
C. How would you describe the relationship between your <i>performance</i> and your <i>promotion opportunities</i> at work?	1	2	3	4	5
D. How important is it to have <i>career advancement and promotion opportunities</i> at work?	1	2	3	4	5
How effective would you describe the career development and promotion policy in your organisation?	1	2	3	4	5

8. Variety of work

A. How would you describe the variety aspects of your work?	1	2	3	4	5
B. How much more varieties would you like to have in your work?	1	2	3	4	5
C. To what extent do you feel that the <i>variety</i> in your work affect your motivation at work?	1	2	3	4	5
D. How important is the <i>variety</i> in work to you?	1	2	3	4	5

9. Nature of Job

A. How <i>interesting</i> is your job?	1	2	3	4	5
B. To what extent do you feel that the <i>interest</i> in your work affect your level of motivation at work?	1	2	3	4	5
C. . How important is it to you to have an <i>interesting work</i> ?	1	2	3	4	5

D. Which aspect of your job you find most interesting?

Please explain:

- a).....
...b)
C).....

10. Challenging aspects of the job

A. How <i>challenging</i> is your job?	1	2	3	4	5
B. To what extent do you feel that the <i>challenge</i> in your work affect your level of motivation to work?	1	2	3	4	5

11. Recognition

A. How would you describe the level of recognition that you receive in your work?	1	2	3	4	5
B. How much <i>recognition</i> would you like to receive at your work?	1	2	3	4	5
C. How would you describe the relationship between your <i>level of performance</i> and the <i>recognition</i> you receive?	1	2	3	4	5
D. How important is <i>recognition</i> to you?	1	2	3	4	5
E. To what extent does recognition at work affects your motivation?	1	2	3	4	5

12. Achievement

A. How would you describe the availability of <i>achievement</i> opportunities in your position?	1	2	3	4	5
B. How would you describe your desire for <i>achievement</i> ?	1	2	3	4	5
C. To what extent does the availability of <i>achievement</i> opportunities affect your motivation at work?	1	2	3	4	5
D. How important are opportunities for achievement to you?	1	2	3	4	5

13. Job Related Status

A. How would you describe your status at work?	1	2	3	4	5
B. How important is status at work to your motivation?	1	2	3	4	5
C. How would you describe the relationship between your <i>level of performance</i> and your <i>status at work</i> ?	1	2	3	4	5

The following section is concerned with your opinion about work related performance, training, workload and your job satisfaction. Please use the following five-point scale to answer each question by circling the number that reflects your opinion.

1	2	3	4	5
Very low	Low	Neutral	High	Very High

How would you rate your performance at work?	1	2	3	4	5
--	---	---	---	---	---

Is reward policy of your organization influencing your performance at work?	1	2	3	4	5
How would you rate the influence of your motivation on your performance at work?	1	2	3	4	5
What is the impact of your organizations reward policy on coping with your daily work?	1	2	3	4	5

Have you received any training during the last two years?	Y	N
---	---	---

How often?	Once a Month	Once a Quarter	Once every 6 months	Annually	Never
------------	--------------	----------------	---------------------	----------	-------

Have you ever received training at work

☐ yes ☐ No

If yes, please explain:

.....

If yes, please proceed

Have you received "induction training"?

☐ yes ☐ No

How do you feel about the quality of the training you received?	1	2	3	4	5
Do you feel this training you have received has impacted your performance?	1	2	3	4	5
What is the impact of the training you received (if any) on your motivation to work?	1	2	3	4	5

How would you rate your job satisfaction at work?	1	2	3	4	5
How would you rate the effect of the training you have received on your level of Job satisfaction?	1	2	3	4	5



Please indicate your level of agreement with the following statements using the following scale.

1	2	3	4	5
Very low	Low	Neutral	High	Very High

II

Reflecting on the period post-1979 revolution , the political climate has affected my organization. <i>Please feel free to provide more explanation</i>	111 111 12	2	3	4	5
Reflecting on the period post-1979 revolution , the political climate has affected the income I receive at this organization	111 12	2	3	4	5
Reflecting on the period post-1979 revolution , the political climate has affected promotion and advancement in my organization.	111 12	22	3	4	5
Reflecting on the period post-1979 revolution , the political climate has affected my motivation . <i>Please feel free to provide more explanation</i>	111 12	222	3	4	5

.....					
<p>Reflecting on the period post-1979 revolution, the political climate has affected the relationship between management and staff.</p> <p><i>Please feel free to provide more explanation</i></p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	111 12	222	3	4	5
<p>Reflecting on the period post-1979 revolution, the political climate has affected the way the management treat their staff</p> <p><i>Please feel free to provide more explanation</i></p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	111 12	222	3	4	5
<p>Reflecting on the period post-1979 revolution, the management-staff relationship influences my motivation</p> <p><i>Please feel free to provide more explanation</i></p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	111 12	222	3	4	5
<p>Reflecting on the past 10 year, HR policies and procedures have been affected by the political climate</p> <p><i>Please feel free to provide more explanation</i></p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	111 12	222	3	4	5

Please ask a question\

\



Please indicate your level of agreement with the following statements using the scale below.

1	2	3	4	5
Very low	Low	Neutral	High	Very High

S

Economic conditions influence my working condition at work	111 12	222	3	4	5
Economic conditions influence my performance at work	111 12	222	3	4	5
Economic conditions influence my motivation at work	111 12	222	3	4	5
Recent economic condition have affected my working condition <i>Please feel free to provide more explanation</i> 	111 12	222	3	4	5
Recent economic condition have affected management-staff relationship <i>Please feel free to provide more explanation</i> 	111 12	222	3	4	5
Reflecting on the economic condition during the last 5 years, how would you describe the level of your perceived stress at work	111 12	222	3	4	5



Your reflections and comments are valuable to us. Please feel free to comment on any aspect of the previous questions?

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.....

Thank you for your co-operation

Would you like to have a copy of the results?

Yes ☐

No ☐

If yes, please provide an address or e-mail

.....

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Should you wish to have more information, please feel free to contact us on the following address;

Rahmat Tabandeh (PhD Associate)

Professor Farhad Analoui (Principle Supervisor)

Bradford Center for International Development
University of Bradford, Bradford, West Yorkshire, BD7 1DP, UK
Phone: 00 44 1274 23 3958
E-mail: f.analoui @braford.ac.uk

Appendix 2: Interview Questions

- 1) How do you feel *economic and cultural issues* influence your organization and your work?

Example of response of an interviewee:

“Cultural issues can have significance bearing in an organization of this character because of the very nature of dairy production here in Iran is geared toward serving the masses and the government places much stress on serving people right!”

- 2) In your opinion, *how do these (the above noted) socio-economic and cultural factors* affect your motivation at work?

Example of response of an interviewee:

“Anything pertaining to culture affects a business of this nature because, again, we are here to serve people and culture is a composition of people’s attitudes”

- 3) In your opinion *how do economic factors* affect your motivation at work?

Example of response of an interviewee:

“Economic factors affect us at all level of organization. We are all affected by economic forces, especially nowadays by global economic forces.”

- 4) How has the Revolution impacted your organization? How about manager- employee relationships?

Example of response of an interviewee:

“Yes. It changed the law of the land and hence brought about many fundamental social and political changes.”

- 5) What are your thoughts about the effects of the Revolution and *the changes it introduced* on manager-employee relationship?

Example of response of an interviewee:

“Workers are getting more attention and legal rights.”

- 6) What are your thoughts about the effects of *recent economic condition* on your motivation at work?

Example of response of an interviewee:

“Things have become much tougher. But we try our best to adopt and we have managed fine. Things will work out as they have always done so here”

- 7) In your opinion, what *are the major factors* affecting your work motivation?

Example of response of an interviewee:

“Salary, fringe benefits and what I do. Relation to my staff also has significant bearing on my motivation.”

- 8) How happy are you at work? Are you happy with the nature of your work? Your working condition? Your salary and other benefits? Achievement and recognition at work?

Example of response of an interviewee:

“I do not look at it at all in terms of happiness. I am here to do my job to the best of my abilities. I perform my managerial duties to the best of my knowledge and try my best to keep my staff motivated by listening to what they have to say”.

- 9) In your opinion what needs to be done to improve the staff and management motivation at work?

Example of response of an interviewee:

“As always better remuneration. Have them do things they know and like to perform. Avoid monotony and ensure they are listened to.”

- 10) Can changes in socio-economic and political systems influence your organization, working condition and motivation to work? Please explain.

Example of response of an interviewee:

“Of course they would. We operate in the broader culture that is affected by all these forces. So of course it would”

11)Is there anything that you would like to add which has not been covered earlier?

Should you wish to have more information, please feel free to contact us on the following address:

Rahmat Tabandeh (PhD Associate)

Professor Farhad Analoui (Principle Supervisor)

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Phone: 00 44 1274 23 3958
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Appendix 3: Survey Farsi Version

بخش ۱: اطلاعات اولیه

لطفاً به پرسش های زیر پاسخ دهید

۱. جنسیت:

زن	مرد
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۲. سن

۲۰ تا ۲۵	۲۶ - ۳۰	۳۱-۳۵	۳۶-۴۰	۴۰-۴۵
۴۶-۵۰	۵۱-۵۵	بیشتر از ۵۵ سال		

۳. تحصیلات

زیر دیپلم	دیپلم	لیسانس، فوق لیسانس	دکتر
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۴. آیا هیچ مهارت حرفه ای دارید (لطفاً توضیح دهید)

۵. پست مدیریتی شما در چارت سازمانی چیست؟

ناظر	مدیر پایین دستی	مدیر میانی	مدیر ارشد
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اگر هیچ یک از موارد بالا نیست، لطفاً توضیح دهید

۶. کل مدت تجربه کاری

تا ۵ سال	۱۰-۵	۱۵-۱۱	۲۰-۱۶	۲۵-۲۱	بیشتر از ۲۵
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۷. سال های تجربه در پست فعلی

تا ۵ سال	۱۰-۵	۱۵-۱۱	۲۰-۱۶	۲۵-۲۱	بیشتر از ۲۵
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بخش ۲: بهداشت و انگیزه کاری

لطفاً از مقیاس ۵ نقطه ای زیر برای پاسخ به سوالات استفاده کنید؛ دور عدد مورد نظر خط بکشید.

۵	۴	۳	۲	۱
بسیار زیاد	زیاد	معمولی	کم	بسیار کم

۱. امنیت شغلی

۵	۴	۳	۲	۱	
					A امنیت شغلی خود را چطور توضیف می کنید؟
					B آیا امنیت شغلی شما با عملکرد شما ارتباطی دارد؟
					C یک حس امنیت برای رضایت شغلی شما در کار چقدر مهم است؟

۲. حقوق

۵	۴	۳	۲	۱	
					A چه قدر از حقوق فعلی خود راضی هستید؟
					B رابطه بین عملکرد و مقدار حقوق فعلی را چطور توضیح می دهید؟
					C حقوق شما چقدر بر رضایت شغلی شما موثر است؟

۳. مزایای جنبی

آیا هیچ مزایای جنبی دریافت می کنید؟

بله	خیر
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اگر بله، بخش بعد را پاسخ دهید:

۵	۴	۳	۲	۱	
					A از مزایای جنبی شرکت خود چقدر راضی هستید؟
					B رابطه بین عملکرد و مزایای جنبی دریافتی مثل پاداش و پرداخت برای کار در ساعات اضافی را چگونه در مورد خودتان دوست دارید؟
					C مزایای جنبی چقدر برای شما مهم است؟

۴. شرایط کاری

۵	۴	۳	۲	۱	
					A از شرایط کاری فعلی خود چقدر راضی هستید؟
					B آیا فکر می کنید شرایط کاری شما باید بهتر شود؟ اگر بله، توضیح دهید.
					C آیا شرایط کاری بر عملکرد شما تاثیر دارد؟

۵. سیاست های پاداش شرکت

۵	۴	۳	۲	۱	
					A سیاست های منابع انسانی و روش های آن چقدر جامع است؟ (پاداش، آموزش و توسعه و ترویج)
					B تا چه حد احساس می کنید سیاست های شرکت شما بر عملکردتان تاثیر دارد؟
					C به نظر شما، آیا سیاست های شرکت شما را به کار ترغیب می کند؟
					D آیا شما در تدوین این سیاست ها دخالت دارید؟

۶. وظایف شغلی

۵	۴	۳	۲	۱	
					A سطح مسوولیت در پست فعلی خود را چطور توصیف می کنید؟
					B وظایف شغلی در کار شما چقدر اهمیت دارد؟
					C شما مایلید چقدر در کار مسوولیت داشته باشید؟

۷. ارتقا در کار

۵	۴	۳	۲	۱	
					A احتمال ترفیع و پیشرفت کاری در پست فعلی خود را چطور توصیف می کنید؟
					B پیشرفت و ترفیع چقدر در انگیزه کاری شما موثر است؟
					C رابطه بین عملکرد و فرصت ترفیع در کار را چطور توضیح می دهید؟
					D داشتن فرصت ترفیع و پیشرفت در کار چقدر مهم است؟
					پیشرفت شغلی و سیاست های ارتقا در سازمان شما چقدر موثر است؟

۸. تنوع کاری

۵	۴	۳	۲	۱	
					A جنبه های مختلف در کار خود را چطور توضیح می دهید؟
					B شما چقدر تنوع در کار را دوست دارید؟
					C تا چه حد حس می کنید تنوع در کار بر انگیزه کاری شما تاثیر دارد؟
					D تنوع برای شما چقدر مهم است؟

۹. ماهیت شغل

۵	۴	۳	۲	۱	
					A. شغل شما چقدر جالب است؟
					B تا چه حد حس می کنید علاقه به مار بر انگیزه کاری تاثیر دارد؟
					C داشتن یک کار جالب و جذاب چقدر برای شما مهم است؟

D کدام جنبه کاری شما جذابیت بیشتری دارد؟

لطفاً توضیح دهید:

۱۰. بحث بر سر جنبه های شغلی

۵	۴	۳	۲	۱	
					A آیا شغل خود را به چالش می کشید؟
					B تا چه حد حس می کنید بحث در مورد کار بر انگیزه شما تاثیر دارد؟

۱۱. تشخیص

۵	۴	۳	۲	۱	
					A سطح درکی که شما درکار دریافت می کنید را چطور توصیف می کنید؟
					B سطح درکی که دوست دارید درکار دریافت کنید را چطور توصیف می کنید؟
					C رابطه بین عملکرد و تشخیص مسائل کاری در کار را چگونه توضیحی می دهید/
					D تشخیص کاری برای شما چقدر مهم است؟
					E تا چه حد تشخیص مسائل کاری در کار بر انگیزه شما تاثیر دارد؟

۱۲. دستاورد

۵	۴	۳	۲	۱	
					A وجود فرصت های دستاوردی در پست خود را چطور توضیح می دهید؟
					B تمایل به پیشرفت و دستاورد را چطور توضیح می دهید؟
					C وجود فرصت های دستاورد در پست خود بر انگیزه های شما چقدر موثر است؟
					D فرصت دستاورد چقدر برای شما مهم است؟

۱۳. رضایت از وضعیت شغلی مربوطه

۵	۴	۳	۲	۱	
					A وضعیت شغل خود در کار را توضیح می دهید؟
					B پایه شغلی شما چقدر در انگیزه شما مهم است؟
					C شما رابطه بین سطح عملکرد و پایه خود را چطور توضیح می دهید؟

بخش بعد به دیدگاه شما درباره عملکرد مرتبط با کار، آموزش، بار کاری و رضایت شغلی شما می پردازد.
لطفاً از مقیاس ۵ نقطه ای زیر برای پاسخ به هر سوال استفاده کنید.

۵	۴	۳	۲	۱
بسیار زیاد	زیاد	معمولی	کم	بسیار کم

۵	۴	۳	۲	۱	عملکرد کاری خود را چگونه ارزیابی می کنید؟
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۵	۴	۳	۲	۱	
					ایا سیاست پاداش سازمان شما بر عملکرد کاریتان تاثیر دارد؟
					تاثیر انگیزه خود روی عملکردتان را چگونه درجه بندی می کنید؟
					تاثیر سیاست پاداش سازمان های خود روی مطابقت با کار روزانه چیست؟

آیا در دو سال گذشته آموزشی دریافت کرده اید؟

بله	خیر
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چند بار؟	یک بار در ماه	یک بار در فصل	یک بار در هر ۶ ماه	سالانه	اصلاً
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آیا آموزش در کار دریافت کرده اید؟

بله	خیر
-----	-----

اگر بله، لطفاً توضیح دهید.

اگر بله، لطفاً ادامه دهید.

آیا «آموزش نتیجه گیری» دریافت کرده اید؟

بله	خیر
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۵	۴	۳	۲	۱	
					A در مورد کیفیت آموزش دریافتی چه احساسی ندارید؟
					B آیا احساس می کنید آموزش دریافتی شما بر عملکردتان تاثیر دارد؟
					C تاثیر آموزش دریافتی بر انگیزه کاری شما چیست؟
					D رضایت شغلی خود را چطور رتبه بندی می کنید؟
					تاثیر آموزش روی سطح رضایت شغلی چیست؟

بخش ۵: عوامل محیطی

لطفاً موافقت خود با عبارات زیر را با استفاده از مقیاس زیر را اعلام کنید.

۵	۴	۳	۲	۱
بسیار زیاد	زیاد	معمولی	کم	بسیار کم

۵	۴	۳	۲	۱	
					شرایط اقتصادی بر شرایط کاری من در کار تاثیر دارد.
					شرایط اقتصادی بر عملکرد من در کار تاثیر دارد.
					شرایط جدید از شرایط کاری من تاثیر گرفته است. لطفاً در توضیحات بیشتر آزاد باشید.
					شرایط اقتصادی جدید از رابطه مدیریت و پرسنل تاثیر گرفته است. لطفاً در توضیحات بیشتر آزاد باشید.
					بازتاب بر شرایط اقتصادی در ۵ سال گذشته، سطح تنش خود در کار را چطور توضیح می دهید؟

Appendix 4: Informed Consent

Informed Consent

Dear participant

This study entitled “managerial motivation in Dairy Industry in Iran” is the first of its kind to examine manager motivation in the dairy industry in Iran.

The overriding objective of this research project is to better come to terms with individual, socio-economic and cultural factors that influence manager's motivation in the dairy industry in Iran. One of the immediate benefits of a better understanding of factors that affect motivation is certainly the direct impact of such an understanding on you as a manager.

Your participation by filling in the attached survey is extremely welcomed and is of great value. The questionnaires as well as the interviews will abide by the principles of anonymity. You can withdraw at any time without any further questions.

You are more than welcome to contact the principle investigator and/or the supervisor of the study at any time with your questions.

You can also enter a mailing list which will provide you with on-going information about the development of the research projects, synopsis of key events, such presentation, poster presentations and publications.

I hereby understand the objective of the study and the principle of informed consent I have read.

Name..... Date.....

Contact information

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Appendix 5: Iran and the 1979 Revolution

This appendix provides a brief synopsis of some of the main information o Iran provided through this thesis. It can serve the reader as a quick reference/overview of Iran and her recent development.



Map of Iran

Source: Nation Online Project

- Geographically Iran (see above map) is located in the Middle East, bordering Armenia, Azerbaijan, Kazakhstan and Turkmenistan to the north. Iran borders Afghanistan and Pakistan to its east. The Persian

Gulf, the most strategically important waterway in the world, is in the south of Iran. Iran and Turkey border Iran to the west.

- In 2012 Iran had a population of 76.03 with a 1.3% growth rate.
- 99.5 percent are Muslim with the remaining a mix of classic Zoroastrian, Christian and Jewish
- Land mass is about 1,648,196 square kilometer
- Land boundaries: 4,137 km
- Sea boundaries: 2,700 km (including the Caspian Sea)
- River boundaries : 1,918 km
- Her climate is mostly arid to semi-arid.

Some scholarly account of the roots the 1979 Revolution

One of the most important developments in Iran's modern history is the 1979 Revolution. As discussed throughout this thesis, especially in Chapter 3, a number of scholars have provided a detail analysis of the economic (Pesaran, 1982) and political underlying (Moaddel, 1986) forces of this Revolution. As pointed out in this thesis, it is very significant to bear in mind that the 1979 revolution, which turned into the Iranian 1979 Islamic Revolution, is considered to have some roots in the *Shi'i Ulama* discontent (Moaddel, 1986). Moaddel (1986) provides an impeccable overview of the forces that laid the foundation of the *Shi'i Ulama* discontent. Supplementing this is Pesaran (1982) who provides a very good overview of the economic forces behind this Revolution.

As point out and underscored in chapter 3, a careful study of the source of *Shi'i Ulama's* discontent during the Pahlavi's era is a *must* because it is very easy to read the covering of *Shi'i Ulama's* discontent as Islamic fundamentalism!

Thus, in uncovering this misreading of Iran's history, some of the questions that were addressed under chapter 3.4 and should be attended to carefully are: what were the fractions of *Shi'i Ulama in Iran*? *More importantly*, in whose interests did these fractions of *Shi'i Ulama* represent their discontent as Iran embraced IMF's dictated industrial strategy? As underscored in chapter 3 it is critical to bear in mind that in Iran *Nationalist Shi'i Ulama* represented the ideologies that worked to protect the autonomy of Iran's economy and her domestic production (Moaddel, 1986, pp. 533-545).

Under the Pahlavi rule the *Nationalist Shi'i Ulama* are those representing the interests of Iran's classic domestic mechanists, that is, traditional shop owners, woodworkers, shoemaking factories and artisans.

Pesaran (1982) provides an impeccable overview of the economic forces that laid the groundwork for the Revolution. As noted in chapter 3, it is clear that IMF's growth strategy yielded both a highly skewed income distribution and a dramatic expansion of the oil sector while the critical agricultural sector continued to suffer year after year. Thus, as Pesaran (1982) points out the skewed distribution of investment in sectors of the economy and the

related dramatic retardation of the certain sector at the favor of other sector laid the foundation of Iran's problem under Pahlavi area.

As Pesaran (1982) underscores, the *Nationalist Shi'i Ulama* represent the voices that were suffocated by the US gendarme in Iran—the Pahlavi monarchy and Shah's notorious SAVAK (Pesaran, 1982, p. 505). Thus, the grass root movement behind the Revolution started by these groups and then the revolution took a live of its own.

Appendix 6: A Brief Overview of the Dairy Industry In Iran

This appendix aims at providing a brief overview of some of the key development in the dairy industry in Iran. For a more comprehensive presentation of this information the reader is referred to sections 3.5.3 and section 4.10 of this thesis.

Iran's dairy industry is closely related to a number of government regulatory and industrial sectors that have worked closely with operation of the agricultural sector. As discussed in various parts of the thesis (in particular under section 3.5.3 and section 4.10) this industry developed at a slow rate (about 4 percent) relative to other industries (see section 3.4), such as mining and oil industries which grew at above 10 percent during the Pahlavi era. As it has been discussed in section 3.5,3 the agricultural sector was neglected and only showed slight growth after the Revolution. Thus, it is important to realize that the development of the dairy industry in Iran has been affected by some of the previously noted structural problems that have influenced the agriculture sector. These problems were reflected into the dairy industry and the new regime begun addressing these problems systematically after 1981. In his comprehensive analysis of Iran's agricultural industry Hosseinzadeh (2010) argues that overall Iran's agricultural sector has been much more self-reliant since the Revolution and has been growing at a significantly higher rate under the Islamic Republic than during the Pahlavi era.

Today the dairy industry demonstrates some persisting problems that are due to inefficient access of large number of small dairy farmers to the market for milk. Fundamentally the core structural problem is that many of Iran's small dairy producers have insufficient access to the market because of simple transportation problems. This problem is well known among Iranian scholars (e.g., Hosseinzadeh, 2010) as well as among international observers (Business Monitor International, 2013). In fact a recent Business Monitor International's analysis argues (i.e., quarter 1, 2013) that the "dairy sector is struggling to expand due to structural and infrastructure issues. The milk collection network has been neglected despite government funds that were allocated to support prices and subsidies inputs. Smallholders lack the facilities to store and transport milk to major markets" (Business Monitor International, 2012, p. 6)."

Bakhshoodeh and Shahnushi have elaborated further on this issue and argue that this form of market imperfection puts the small farmers at the mercy of middlemen and other larger collectors who buy milk at a lower price middleman from the farmers than what the government actually guarantees to pay the farmers. One of the main reason smaller farmers sell to these middlemen at lower market prices is that they get their payment much faster than they would from government.

Despite all these problems, Iran's dairy industry (see table 4.4) has developed significantly under the Islamic Republic era mainly due to large scale effort by the Islamic Republic to improve the agricultural sector of Iran.

The main source of this improvement goes back to a more balanced investment in both oil and mining as well as in the agriculture industry.